Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2021

for

Igraine Plc

Contents of the Financial Statements
for the year ended 31 December 2021

Igraine Plc

Company Information
for the year ended 31 December 2021

DIRECTORS:	Mr C T Evans Mr S R Grant-Rennick Mr B Singh Tennent-Bhohi Mr R I Walker Mr M C Walton Mr S D Winfield
REGISTERED OFFICE:	Hill Dickinson LLP 8th Floor The Broadgate Tower 20 Primrose Street London England EC2A 2EW
REGISTERED NUMBER:	06400833 (England and Wales)
AUDITORS:	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD

Igraine Plc (Registered number: 06400833)

Strategic Report
for the year ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

Igraine, is an investment issuer listed on the Access Segment of the AQSE Growth Market Exchange. The Company maintains an investment strategy focused on the evaluation of innovative technologies and commercially attractive discoveries in the health, medtech, biotech and life science sectors worldwide.

The commercial objective of the company is to seek investment opportunities that are at inflection points that if proven and successful can dramatically alter their valuation and growth trajectory. The company can identify these opportunities through the network the Board maintains internally and through the advisory services the company retains.

Between April and June 2021, the company was recapitalised and restructured, resulting in the company raising gross proceeds of £2,132,500. Through this process, the company has rationalised legacy investments and revitalised the company to operate as a lean, versatile, and efficient investment issuer that is in constant review of opportunities that may fit the profile of Igraine whilst also remaining open to opportunities that could enable the business to acquire operational businesses seeking a public quotation and access to capital markets.

REVIEW OF BUSINESS

On 26 April 2021, the company completed a recapitalisation and Board change, introducing new Directors, Mr Simon Grant-Rennick and Mr Burns Singh Tennent-Bhohi. After the company's Annual General Meeting held on 26 April 2021, Mr Brian Jones & Mr Kenneth Hillen resigned from the Board of Directors.

The injection of new capital and Directors enabled the company to review its existing financial position, its underlying assets and consider how best to progress and create value for shareholders of the company. I am pleased to report that on 11 June 2021, the company announced and posted a Circular to convene a General Meeting to approve proposals and resolutions to create a premier MedTech and biotech investment company that includes a conditional brokered financing for gross proceeds of, £2,000,500.

Please refer to the timeline set out below of material events to the year end 31 December 2021 for which a number of the items were subject to resolutions passed by the shareholders of the Company at the General Meeting held on 28 June 2021 where all resolutions presented to the shareholders were approved.

The Financing (General Meeting Approval – 28 June 2021)

£2,000,500 (gross proceeds) through the issue of, 77,519,230 new ordinary shares at a subscription price of, £0.025807 which is considered to have put the company in a robust financial position.

Change of Name (General Meeting Approval – 28 June 2021)

On 28 July 2021 the Company changed its name to Igraine plc and its EPIC to, AQSE:KING, to better reflect the new direction of the company.

Change of Corporate Advisor

On 11 June 2021, the company appointed Peterhouse Capital Limited as the company's Corporate Advisor & Corporate Broker.

BOARD ADDITIONS
(General Meeting Approval – 28 June 2021)

Sir Professor Christopher Evans (aged 63) - Executive Chairman

Professor Sir Christopher Evans is the founder and Chairman of Excalibur Group and a renowned scientist and highly successful entrepreneur with numerous prestigious awards and medals for his work over the last 30 years during which time he has built more than 50 medical companies from start-up and floated 20 new medical businesses on stock markets in six different countries. He has created 11 successful academic spin-outs and companies worth over $2.4 billion, and has raised $2.6 billion from disposals. He directed the raising of approximately $450 million for Merlin Biosciences Funds and $2.6 billion from disposals including the sale of BioVex Group, Inc. to Amgen Inc. and Piramed Limited to Roche Group. Through Merlin Ventures Limited, he co-founded and advised Biotech Growth Trust plc. Arakis Limited, one of the companies developed by him was sold to Sosei Co. Ltd for $187 million. He has founded notable companies such as Chiroscience, Celsis, ReNeuron, Vectura, Biovex and Merlin Biosciences Ltd. Appointed an OBE in 1995 for services to medical bioscience he was knighted in 2001 for services to bioscience and enterprise. Latterly he was founder of Arix Bioscience plc (LSE:ARX), of the oncology specialist Ellipses Pharma Limited and of Excalibur Healthcare Services Ltd.

Stephen "Steve" David Winfield (aged 28) - Executive Director
Stephen Winfield is currently the commercial director and a board director of Excalibur Healthcare Services Ltd. He has a track record of building, financing and selling various businesses from the ground up. His experience spans 9 years in building and managing teams across the technology, food and beverage and healthcare sectors, primarily alongside Professor Sir Christopher Evans OBE.

He has managed over £170m of transactions acting as a director of various companies and helped raise in excess of £20m to date for private businesses in the UK. More recently Stephen has been advising Scoffs Group (UK's largest Costa Coffee franchisee).

Martin Walton (aged 57) - Executive Director
Martin Walton is currently Chairman and CEO, Bradshaw Consulting Ltd, a Strategic Advisory group assisting companies and shareholders in creating, generating and realising value from investments in life sciences and tech sectors. In 2020 he set up and now manages Excalibur Medicines Ltd to develop the AZD1656. He is a director of Interrad Medical, a Minneapolis-based MedTech company.

Previously he was Vice Chairman of Simbec-Orion Group a specialist CRO which he sold to private equity for a 3x return. He has been Executive Chairman of Iota Sciences Ltd, a spin-out from Oxford University with revolutionary technology in microfluidics. With Professor Sir Chris Evans he assisted in founding Arix Bioscience in 2016 and listed it on the LSE in 2017. He was co-founder and CEO of Arthurian Life Sciences Ltd, the manager of the top-decile Wales Life Sciences Investment Fund, an innovative hybrid of private and public equity. He was CEO of Excalibur Group 2010 - 2016, and CEO of both Excalibur Fund Managers (Life Sciences VC / PE fund manager) and Excalibur Healthcare Services (provision of healthcare services and facilities). Prior to this he had a highly successful 25 year career in investment banking and investment management.

Burns Singh Tennent-Bhohi (aged 28) - Non-Executive Director
Burns is the founder & CEO of The Glenpani Group, an international private venture capital business based in London/U.K. Glenpani's focus is the evaluation and augmentation of distressed-asset opportunities and private-transaction/investment origination. Glenpani Group cornerstone-invest, originate transactions and provide corporate consultancy to international companies both private and public. Glenpani Group maintains a deep international network that includes corporate brokers/ financiers, investment bankers, merchant banks, UHNWIs, project-level financiers, asset banks and technical teams.

Burns assumes a number of International Directorships on both private and public companies having raised in excess of $50,000,000 in debt and equity financing, completed over $40,000,000 in corporate transactions with Tier 1 mining companies and has most recently completed an investment transaction that from seed has generated a return on capital invested in excess of 15,000% in the junior mining sector

Simon Grant-Rennick (aged 64)- Non-Executive Director
Simon graduated from the Camborne School of Mines (BSc Mining Engineering [Hons], ACSM) and has been actively involved in the mining and metal trading industry for over 30-years. During this time Simon has served Board & Management roles for both private and public (LSE, ASX, AQSE) entities globally.

Simon has extensive experiences in the industrial and non-ferrous metal industry which includes a successfully operating Falconbridge Internationals non-ferrous trading arm.

Simon maintains a number of Board & Management Roles across industries including; agriculture, property, technology & the mining sector, including; All Active Asset Capital Ltd (AIM: AAA), U.K. Spac plc (AIM: SPC), Evrima plc (AQSE: EVA), Globe Capital (AQSE: GCAP) and was most recently the Executive Chairman of Quetzal Capital plc (AQSE: QTZ).

Adoption of New Investment Policy (General Meeting – 28 June 2021)
The Company's business strategy will be to source and develop breakthrough innovative technologies and commercially attractive discoveries in the healthcare and life science sector worldwide. The proposed co-Investment Agreement will give the Company privileged access to attractive opportunities which have been sourced, selected and subjected to due diligence by sector experts.

Its objective will be to develop and commercialise these opportunities to provide attractive returns to its investors. The Company will do this through the sourcing and identification of promising technologies, the arrangement of appropriate financing for those technologies and experienced management oversight of the structured development of the technologies and, ultimately, their commercialisation.

The Company will execute its strategy by sourcing world class innovation from a rich pipeline of opportunities. The pipeline of opportunities will be derived from four key sources:

- personal and professional networks - the newly appointed Directors and senior leadership team bring high quality and extensive networks of personal, professional and industry contacts (including an extensive network of scientists and key opinion leaders in medicine both inside and outside pharmaceutical corporates). In particular, such extensive networks provide opportunities to pursue relationships with pharmaceutical companies which are both a potential source of innovative opportunities and as potential acquirers;
- academia - contacts developed over many years with leading universities and other academic and research institutions globally provide direct access to innovative technologies, ahead of third parties;
- the professional adviser market - links with Peterhouse Capital and others ensure we will see opportunities before the broader investor market will; and
- fund managers - the newly appointed Directors maintain close relationships with fund managers who can provide a source of innovative opportunities.

The new Executive Team will make such opportunities subject to a rigorous evaluation process. Initially there will be a high-level assessment where the following criteria are considered:

a. does the technology have a potential market;

b. are there any competing technologies known to be under development;

c. at what stage of development is the technology;

d. basic assessment of intellectual property rights; and

e. vetting of the team or the business owning and managing the technology.

More detailed assessment will follow, typically after having entered a confidentiality agreement to review more substantial information in relation to proprietary technology. This would involve a direct consultation with the inventor(s), and technical and scientific validation by the Company's proposed consultants.to ascertain the following:

f. whether the technology has breakthrough quality;

g. if the scientific base of the proposal is sound;

h. ownership of intellectual property rights in relation to the technology (including patentability, "freedom to operate" and identifying if any third-party intellectual property rights are necessary for the further development and ultimate commercialisation of the innovation);

i. assessment of the suitability of the development of the technology from a regulatory perspective (in particular whether there are any potential reasons for refusing the licensing of a product candidate); and

j. to identify the requirements and approximate timing of achieving commercialisation.

If these pass muster then a final stage of due diligence would be undertaken to ascertain the available options to acquire an interest in the opportunity. Should an opportunity be available then a final stage is completed as follows:

k. legal due diligence as to intellectual property rights, including ownership, restrictions to operations and licence arrangement, corporate governance and existing financing arrangements;

l. clinical due diligence as to robustness and fitness for purpose of the clinical trials and the suitability of the CRO; any ethical and regulatory issues, requirements for permits and consents; - feasibility of key milestone achievement (such as a product candidate approval by relevant regulatory agencies) within pre-defined time frames and appropriateness of the proposed endpoints; and targeted disease indication;

m. commercialisation potential as to availability or achievability of CMC for Investigational New Drug applications (INDs) and New Drug Applications (NDAs); projected cost and location of product manufacturing; access to market and size of potential market; product pricing and projected time and rate of return on development costs; availability of one or more highly innovative product candidates, products or proprietary technologies targeting a significant medical and/or commercial need; and - presence of foreseeable sustainable competitive advantages;

n. financing arrangements as to adequacy of existing finance; assessment of financial strength of investors; and availability of funding;

o. quality of the scientific and management credentials of the team

p. examination and possible adaptation of appropriate development plan and business plan.

Igraine Plc (Registered number: 06400833)

Strategic Report
for the year ended 31 December 2021

Igraine completed Co-Investment Rights with Excalibur Healthcare
On 28 June 2021, following the resolutions being passed at the company's AGM, Excalibur Healthcare Services granted the Company rights to co-invest in all healthcare and life-science investment opportunities sourced or invested into by Excalibur Healthcare Services. As consideration for the granting to the Company of these co-investment rights, and the purchase of the 2% stake in Excalibur Medicines Ltd ("EML"), the Company has agreed to pay the vendors the following consideration;

- £600,000 in cash, plus
- £500,000 of new Deferred Shares in the Company at an issue price of 5p per share (approximately 2x the placing price). These Deferred Shares will not be admitted to trading on Aquis, will be non-transferable, and will have no rights attached. They will be cancelled on the 6-month anniversary of issue unless, within 30 calendar days of the publication of the results of the trial of the AZD1656 drug, the Board of Igraine PLC, at its sole discretion, unanimously agree that the trial has been a success and thus consent to the immediate conversion of all Deferred Shares into the equivalent number of new ordinary shares in the Company.*

**The Board, confirm that they did not elect to create or proceed with the deferred consideration. The deferred consideration payable, as set out above, was at the election of the Board of Directors and contingent on the Directors review and determination of the trial's success. The Board were and remain encouraged by the results of the trial however on review the Board of Directors believe that an alternative compensation structure be reviewed at such a time where the underlying investment achieves a commercial milestone including but not limited to a profitable disposal of the investment, a joint venture agreement or in the event EML receive further funding at a premium to the Company's investment cost.*

ABOUT EML INVESTMENT

EML has secured exclusive rights to and owns the patents on a drug, AZD1656, which is being developed as a potential therapeutic for diabetics suffering from COVID-19. As there are very few new therapeutics in development for COVID-19 and associated virally transmitted diseases (most research is in combining existing treatments) this has the potential to be highly attractive to big pharma and biotech buyers. Further, if the trials are successful, it is likely the drug will be effective for the general population in Covid -19 and in other respiratory diseases. The results of the Phase 2 trials of the drug - the ARCADIA trial - to assess the safety and efficacy of AZD1656 in 150 patients with either Type 1 or Type 2 diabetes who have been hospitalised with COVID-19, were released on the 9 September 2021:

Results from ARCADIA Phase II Clinical Trial of a Potential Therapy for COVID-19

St George Street Capital, a UK-based biomedical charity, and Excalibur Medicines Ltd., a biotechnology investment company, are pleased to announce the receipt of the final data from the ARCADIA Phase II clinical trial which was conducted to assess a therapy that could treat diabetic patients suffering from COVID-19.

In light of the encouraging trial results, St George Street Capital and Excalibur will immediately start to undertake commercial discussions with potential licensees and/or fundraise for further clinical trials to investigate AZD1656 in a larger study. Further analysis to determine the precise nature of the biological effects of AZD1656 that explain the observed clinical outcomes will also be conducted.

The trial data has shown the following:

Efficacy:

A strong trend towards reduced mortality in patients receiving AZD1656. This was noted in both mortality on treatment and all-cause mortality, which were lower in the AZD1656 group compared to the placebo group. The strong trend to improved mortality for patients on AZD1656 was observed on top of patients receiving other medication, including dexamethasone, as part of standard of care. Certain clinically and biochemically defined subsets of patients appeared to benefit most from treatment with AZD1656. The data from ARCADIA supports continued investigation of AZD1656 for the treatment of patients with COVID-19, with or without diabetes, in future clinical trials.

Safety and Tolerability:

AZD1656 was shown to be well-tolerated in this patient population with no serious adverse reactions (SARs) occurring. The degree of glycaemic control, as measured by the need to increase baseline medication requirements or the need to add additional diabetic medications, was no different between the AZD1656 group and the placebo group. The proportion of Serious Adverse Events (SAEs) was numerically lower in the AZD1656 group compared with the placebo group. The proportion of Treatment Emergent Adverse Events (TEAE) was also no different between the groups. Overall no safety concerns were identified regarding the use of AZD1656 in this patient population.

Diabetes, whether type 1 or 2, has been the leading single cause of co-morbidity during the pandemic and one in three of all deaths with COVID-19 in hospital in England have been associated with diabetes.

About the ARCADIA Trial

AZD1656 was identified by St George Street Capital as a potential treatment for people with diabetes infected with COVID-19.

The objectives of the ARCADIA clinical trial were to assess the safety and tolerability of a glucose kinase activator, AZD1656, and to determine the effect of the therapy on clinical improvement and mortality in people with diabetes hospitalised with COVID-19. The trial also explored whether AZD1656 benefits COVID-19 patients via its effects on immune function.

ARCADIA was a randomised, double-blind, placebo-controlled Phase II clinical trial involving 153 patients. The clinical trial was arranged and structured by Professor Sir Chris Evans, Chairman and CEO of Excalibur Healthcare Services, through its subsidiary, Excalibur Medicines Ltd. Sir Chris worked closely with Professor John Martin and his team at St George Street, a UK-based biomedical research charity, which secured the initial project and permission to run the trial from AstraZeneca.

Legacy Investments

Following the considerable work associated with the restructure of Igraine, the Board completed an evaluation of the investment interests acquired prior to April 2021, including holding meetings with certain of the investees. Upon completing this review, the Board of Directors have deemed them in majority as non-core to the Company in both present material value and in contrast the Company's revised investment strategy. To the year ending 31 December 2021, the Board of Directors wrote off the value of the loan receivable by a legacy investee, ASSIF Limited ("ASSIF"), whilst the Board remain in contact with this investee the Board were unsatisfied when assessing the realistic recoverability of monies lent to this investee further compounded by ASSIF making no attempt to repay all sums owing to date.

Background to ASSIF Limited:

In May 2019 Igraine plc (*then, "Angelfish Investments plc"*) agreed to subscribe for up to £150,000 0% fixed rate secured convertible loan notes ("Notes") issued by ASSIF Limited ("ASSIF"), a company that is developing a digital product related to employees' mental health. The loan was to be provided in two equal sums, the second due when certain conditions were met and supported by a first ranking legal charge over the assets of ASSIF.

The conversion will be for a maximum of 35% of the ordinary equity share capital of ASSIF, which will be reduced by 5% of the ordinary equity share capital in respect of a number of key milestones achieved prior to conversion to a minimum of 15%.
ASSIF is a mental health and wellness platform. It will primarily be a community for peer-to-peer support for people worried about mental health. Within the platform will be tools to help individuals with their mental health, including gamification and breathing videos. ASSIF is using cutting edge technology to deliver said tools and will have a consumer application and a business-to-business platform.

Strategic Report
for the year ended 31 December 2021

POST-YEAR END REVIEW

The company continues to monitor the development of its maiden investment with Excalibur under the Co-Investment Agreement. Results to date have been positive as the Excalibur team progress commercialisation discussions with the preference being that of a trade sale.

Independent of our investment in EML, the company is acutely aware of the volatility in global financial markets and is actively engaged in commercial discussions with businesses and opportunities that have fundamentally strong offerings but a lack of access to traditional means of capital investment during these uncertain times.

PRINCIPAL RISKS AND UNCERTAINTIES
The principal risks and the steps taken by the Company to mitigate these risks are as follows:

Funding
The company at present is not generating income from any of its investment activity. The aim of the investment strategy is to seek capital gains on successful disposals of its investment interests rather than financial investments and instruments that generate income. The absence of income will mean that the company is reliant on the performance of the investee not just in its ability to operate but in its ability to provide the Company a material and liquid exit to ensure the company has capital to progress its investment strategy. The Company is cognisant of this risk, is actively managing its capital allocation but may have to rely on external capital finance by way of equity or debt to ensure it meets its financial obligations. In balancing this risk, the Company maintains a healthy ratio of cash to active investments and continues to monitor opportunities that could complement its portfolio by way of income generation to mitigate being too heavily weighted in non-cash flow generative opportunities.

Investment Performance
If an investment in a business or an asset performs negatively then this will have an adverse effect on the Company's potential for performance and growth. The Board tries to mitigate such risks through prudent capital allocation and thorough due diligence, such that if an investment performs poorly this will not unduly damage the Company's portfolio and building value for its shareholders.

Inability of an Investee to Fund Operations Post-Investment
An investee of the company may be unable to fund ongoing operations post-investment, events such as the current global pandemic, Covid-19, has demonstrated the economic impact on businesses, globally. The Board must make prudent and well formed investment decisions to assess businesses that post-investment have sufficiently developed business models and are not undercapitalised. As an Investment Issuer, the company's value is ultimately derived from the performance of its investee's. Significant risks include, devaluation of an investment, negative dilution and change of controls.

Strategic Report
for the year ended 31 December 2021

SECTION 172(1) STATEMENT
The Directors are required to make a statement which describes their attitude with regard to the matters set out in Section 172 (1) of the Companies Act 2006, namely:

Duty to promote the success of the company
(a) The likely consequences of any decision in the long term
(b) The interests of the company's employees
(c) The need to maintain the company's business relationships with suppliers, customers and others
(d) The impact of the company's operations on the community and environment
(e) The desirability of the company maintaining a reputation for high business conduct
(f) The need to act fairly between members of the company

Section 172 Statement

The Company is an investment company quoted on a minor exchange and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, of the Board's broad and specific intentions and the rationale for its decisions. The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. When selecting investments, issues such as the impact on the community and the environment have actively been taken into consideration; as is clear from the portfolio set out in the Executive Director's report.

The Directors of the company commit to maintaining high operating standards and fiscal discipline and frequently communicate and engage with each other to consider and understand the underlying issues within the organisation. In order to enhance the standards of the business, the Board considers the global landscape that may present impediments to the business.

The Board maintains a disciplined internal evaluation matrix that is used to identify opportunities that the company see as suitable investment opportunities. Of particular significance is the; pre-determined exit strategy, the associated liquidity profile, the general conditions and environment of global financial markets and the time frame for realisation of value in ensuring that the Directors of the company are committing thorough and succinct analysis and identification of opportunities. The board considers this to be a robust process that enhances.

The company is committed to the highest levels of integrity and transparency possible with stakeholders.

Stakeholders include, suppliers, government and regulatory agencies, service providers and shareholders. The Board, both individually and together, consider that they have acted in the way they consider would be most likely to promote the success of the Company as a whole. In order to do this, there is a process of dialogue with stakeholders to understand the uses that they might have. Communications with shareholders occur on an ongoing basis and as questions arise.

Transparency and integrity are central themes for the Company's Directors. The Directors of the company strive to provide our stakeholders with timely and informative responses.

The Board recognises its responsibilities under section 172 as outlined above and has acted at all times in a way consistent with promoting the success of the Company with regard to all stakeholders.

ON BEHALF OF THE BOARD:

S Grant-Rennick
....
Mr S Grant-Rennick - Director

Date: 14 July 2022

Report of the Directors
for the year ended 31 December 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

CHANGE OF NAME
The company passed a special resolution on 28 July 2021 changing its name from Angelfish Investments PLC to Igraine Plc.

REVIEW OF BUSINESS
Review of Business is included within the Strategic Report on Page 3

EVENTS SINCE THE END OF THE YEAR
The company continues to monitor the development of its maiden investment with Excalibur under the Co-Investment Agreement. Results to date have been positive as the Excalibur team progress commercialisation discussions with the preference being that of a trade sale.
Independent of our investment in EML, the company is acutely aware of the volatility in global financial markets and is actively engaged in commercial discussions with businesses and opportunities that have fundamentally strong offerings but a lack of access to traditional means of capital investment during these uncertain times.

DIVIDENDS
The Directors do not propose a dividend in respect of the year ended 31 December 2021 (2020: nil).

DIRECTORS
Mr R I Walker has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

Mr C T Evans - appointed 28 June 2021
Mr S R Grant-Rennick - appointed 26 April 2021.
Mr K J G Hillen - resigned 26 April 2021
Mr B C Jones - resigned 26 April 2021
Mr B Singh Tennent-Bhohi - appointed 26 April 2021
Mr M C Walton - appointed 28 June 2021
Mr S D Winfield - appointed 28 June 2021

Directors emoluments for the year are as follows:

	2021 Salary/Fees £	2020 Salary/Fees £
K Hillen	10,000	30,000
R Walker	4,695	48,000
B Jones	10,700	10,000
S Grant-Rennick	52,000	-
B Singh Tennent-Bhohi	49,000	-
M Walton	20,000	-
S Winfield	20,000	-
	166,395	**88,000**

DIRECTORS' INTERESTS

Director	Number of Shares	as a % of the Issued share Capital
Simon Grant-Rennick	5,076,240	5.87%
Burns Singh Tennent-Bhohi	3,913,742	4.52%

The following options were issued to the directors in the current year:

Share Options:

Director	No. of Options	Exercise Price
Professor Sir Christopher Evans	4,500,000	£0.05
Steve Winfield	4,500,000	£0.05
Martin Walton	4,500,000	£0.05
Simon Grant-Rennick	2,250,000	£0.05
Burns Singh Tennent-Bhohi	2,250,000	£0.05

Report of the Directors
for the year ended 31 December 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs') as adopted by the UK and applicable law.

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 the group and of the profit or loss of the 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 estimates that are reasonable and prudent;
- state whether applicable 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. They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Igraine Plc website is the responsibility of the directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
Each director in office at the date of approval of this Directors' report confirms that:

- So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and
- 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 auditors are aware of that information.

AUDITORS
The auditors, PKF Littlejohn LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Igraine Plc (Registered number: 06400833)

Report of the Directors
for the year ended 31 December 2021

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

S Grant-Rennick
....
Mr S Grant-Rennick - Director

Date: 14 July 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IGRAINE PLC
For the year ended 31 December 2021

Opinion

We have audited the financial statements of Igraine Plc (the 'company') for the year ended 31 December 2021 which comprise Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, Notes to the Statement of Cash Flows and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 as applied to listed entities, 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining and reviewing management's going concern assessment (including the arithmetic accuracy thereof) and associated cashflow forecasts for the period of 12 months from the date of approval of the financial statements;
- challenging and reviewing the assumptions applied in the cashflow forecasts for reasonableness;
- comparing the cashflow forecasts to historic financial information; and
- performing sensitivity analysis where 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.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Overall materiality was set at £25,000 (2020: £32,500) based on 4% of net assets (2020: 5% on adjusted profits before tax). Adjusted profit before tax was no longer an appropriate benchmark due to the changes in the group strategy (investment focused) .Net assets was used as the basis of materiality as the company is not yet revenue generating and based on our professional judgement, it is the principal benchmark within which the financial statements are relevant to members of the company.

We used a different level of materiality (performance materiality) to determine the extent of our testing. Performance materiality was calculated at 70% of materiality being £17,500 (2020: £22,750). Performance materiality was set at 70% to reflect the medium risk nature of the audit. The audit has been deemed medium risk as the company is small with a low volume of transactions and has appropriate controls in place. However, the level of audit adjustments in the previous year has led us to determine the risk is not low.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IGRAINE PLC
For the year ended 31 December 2021

We have agreed with those charged with governance that we would report all audit differences in excess of £1,250 (2020: £1,625) as well as differences below these thresholds that we believe warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we considered the areas involving significant accounting estimates and judgements by those charged with governance including future events that are inherently uncertain and as such, the valuation of investments was considered to constitute a Key Audit Matter and the valuation of share-based payments. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by directors that represented a risk of material misstatement due to fraud. The company's accounting function is based in the United Kingdom and our audit was performed remotely with regular contact with the company throughout.

Key audit matters

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

Key Audit Matter	How our scope addressed this matter
Valuation and disclosure of investments (see note 9)	
The company holds unlisted investments amounting to £615,113 (2020: £15,113) measured at fair value through profit and loss. There is a risk that unlisted investments have not been measured correctly at fair value in line with the requirements of IFRS 9. The fair valuation assessment on unlisted investments is subjective and involves significant estimates and judgements. The absence of reliable historical information, in relation to investments in start-up companies, makes the fair valuation assessment judgmental. There is therefore a risk that the value of the unlisted investments is materially misstated.	Our work in this area included: ▪ Reviewing, assessing and challenging management's valuation of the unlisted investment and assessments and substantiating with supporting evidence where available. ▪ Reviewing and challenging management's assessment of potential impairment and ensuring sufficient evidence was obtained. ▪ Ensuring that appropriate disclosures surrounding any estimates and judgements are made regarding their valuation. ▪ Performing a reconciliation of the investment holdings and checking the correct classification of these and the fair value hierarchy disclosure is as per the requirements of IFRS 9.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IGRAINE PLC
For the year ended 31 December 2021

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 the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience in the investment sector.

- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, AQUIS Listing Rules, UK Employment and Tax legislation, The Bribery Act 2020, Anti Money Laundering Legislation and IFRS.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Enquiries of management;
  - review of board minutes of meetings;
  - review of Regulatory News Service (RNS) announcements; and
  - review of legal and professional costs incurred in the period.
- We have discussed among the engagement team how and where fraud might occur and any potential indicators of fraud. We then challenged management in respect of the key judgements and assumptions made by management regarding the impairment assessment of unlisted investments (see KAM).
- We also identified the risks of material misstatement of the financial statements due to fraud. Other than the non-rebuttable presumption of a risk of fraud arising from management override of controls and the KAM identified above, we did not identify any significant fraud risks.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 our report

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

Tim Harris (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
14 July 2022

15 Westferry Circus
Canary Wharf
London E14 4HD

Igraine Plc (Registered number: 06400833)

Statement of Profit or Loss
for the year ended 31 December 2021

	Notes	2021 £	2020 £
CONTINUING OPERATIONS			
Other operating income		**19,824**	61,556
Loss on revaluation of investments	11	**(12,798)**	(147,043)
Administrative expenses		**(407,615)**	(294,073)
OPERATING LOSS		**(400,589)**	(379,560)
Impairment of loans and trade receivables		**(93,405)**	(41,229)
Interest Income		-	(23,657)
Interest payable at 7.1% on preference Shares		-	(163,450)
Conversion of Preference shares to Ordinary shares		-	4,548,821
Amortisation of preference shares		-	(697,067)
(LOSS)/PROFIT BEFORE INCOME TAX	5	**(493,994)**	3,291,172
Income tax	6	-	-
(LOSS)/PROFIT FOR THE YEAR		**(493,994)**	3,291,172
Earnings per share expressed in pence per share:	7		
Basic		**-0.01**	0.11
Diluted		**-0.01**	0.11

The notes on pages 24 to 43 form part of these financial statements.

Igraine Plc (Registered number: 06400833)

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2021

	2021	2020
	£	£
(LOSS)/PROFIT FOR THE YEAR	**(493,994)**	3,291,172
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**(493,994)**	3,291,172

The notes on pages 24 to 43 form part of these financial statements.

Igraine Plc (Registered number: 06400833)

Statement of Financial Position
31 December 2021

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	-	1,048
Investments	9	615,113	15,113
		615,113	16,161
CURRENT ASSETS			
Trade and other receivables	10	154,067	115,784
Investments	11	7,205	48,201
Cash and cash equivalents	12	904,129	7,811
		1,065,401	171,796
TOTAL ASSETS		1,680,514	187,957
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	13	588,786	554,616
Share premium	14	1,946,995	26,818
Other reserves	14	46,116	-
Retained earnings	14	(1,172,705)	(678,711)
TOTAL EQUITY		1,409,192	(97,277)
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	38,464	50,000
CURRENT LIABILITIES			
Interest bearing loans and borrowings	15	10,649	-
Trade and other payables	16	222,209	235,234
TOTAL LIABILITIES		271,322	285,234
TOTAL EQUITY AND LIABILITIES		1,680,514	187,957

The financial statements were approved by the Board of Directors and authorised for issue on 14 July 2022 and were signed on its behalf by:

S Grant-Rennick

....

Mr S Grant-Rennick - Director

The notes on pages 24 to 43 form part of these financial statements.

Igraine Plc (Registered number: 06400833)

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
Balance at 1 January 2020	71,008	-	-	(3,969,883)	(3,898,875)
Changes in equity					
Profit for the year	-	-	-	3,291,172	3,291,172
Total comprehensive income	-	-	-	3,291,172	3,291,172
Issue of share capital	483,608	26,818	-	-	510,426
Balance at 31 December 2020	554,616	26,818	-	(678,711)	(97,277)
Changes in equity					
Deficit for the year	-	-	-	(493,994)	(493,994)
Warrant and Option charge		-	46,116	-	46,116
Total comprehensive income	-	-	46,116	(493,994)	(447,878)
Transaction cost	-	(178,153)	-	-	(178,153)
Issue of share capital	34,170	2,098,330	-	-	2,132,500
Balance at 31 December 2021	**588,786**	**1,946,995**	**46,116**	**(1,154,705)**	**1,409,192**

The Company's reserves are as follows:

- The share premium 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.
- Other reserves arise from the requirement to value share options and warrants in existence at the grant date (see Note 14).
- Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

The notes on pages 24 to 43 form part of these financial statements.

Igraine Plc (Registered number: 06400833)

Statement of Cash Flows
for the year ended 31 December 2021

	Notes	2021	2020
		£	£
Cash flows from operating activities			
Cash generated from operations	1	**(498,688)**	(140,467)
Net cash from operating activities		**(498,688)**	(140,467)
Cash flows from investing activities			
Purchase of tangible fixed assets		**-**	(591)
Purchase of fixed asset investments		**(600,000)**	-
Sale of fixed asset investments		**13,431**	-
Increase in loan payable		**-**	50,000
Decrease in loan receivables		**-**	48,813
Net cash from investing activities		**(586,569)**	98,222
Cash flows from financing activities			
Loan repayments in year		**(887)**	-
Share issue (net of share issue costs)		**1,982,462**	50,000
Net cash from financing activities		**1,981,575**	50,000
Increase in cash and cash equivalents		**896,318**	7,755
Cash and cash equivalents at beginning of year	2	**7,811**	56
Cash and cash equivalents at end of year	2	**904,129**	7,811

Igraine Plc (Registered number: 06400833)

Notes to the Statement of Cash Flows
for the year ended 31 December 2021

1. **RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2021	2020
	£	£
(Loss)/profit before income tax	**(493,994)**	3,291,172
Depreciation charges	**1,048**	457
Loss on disposal of fixed assets	**14,770**	-
Loss on revaluation of fixed assets	**12,798**	147,043
Impairment of loans and other receivables	**93,405**	-
Share based payment charge	**18,000**	-
Amortisation adjustment on preference shares	-	697,067
Amortisation adjustment on conversion of preference shares	-	(4,548,821)
Impairment of trade receivables	-	41,229
Interest receivable	-	(23,657)
Interest payable	-	163,450
	(353,973)	(232,060)
(Increase)/decrease in trade and other receivables	**(131,688)**	28,583
(Decrease)/increase in trade and other payables	**(13,027)**	63,010
Cash generated from operations	**(498,688)**	(140,467)

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	**904,129**	**7,811**

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	7,811	56

Notes to the Financial Statements
for the year ended 31 December 2021

1. **STATUTORY INFORMATION**

The principal activity of Igraine Plc is that of an investment company, refer to the Strategic report for full details.
The company is a public limited company incorporated and domiciled in the United Kingdom, having a registered office at Hill Dicksinson LLP, 8th Floor, The Broadgate Tower, 20 Primrose Street London, EC2A 2EW.The registered number of the company is 06400833.

2. **ACCOUNTING POLICIES**

Basis of preparation
These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards IFRS as developed and published by the International Accounting Standards Board (IASB) as adopted by the European Union, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The Company's shares are traded on the AQSE Growth Market under ticker AQSE: EVA and ISIN number GB00BM9CKV18.

Basis of measurement
Standards, amendments and interpretations to existing standards that have been issued and are effective at the balance sheet date have been applied in the financial statements.

Going concern
The Financial Statements have been prepared under the going concern assumption, which presumes that the Company will be able to meet its obligations as they fall due for at least the next twelve months from the date of the signing of the Financial Statements. In considering the global economic landscape which at present is accounting for an increase in the price of risk and inflationary pressures, the Directors have completed various stress tests to ensure robust working capital exists even in the midst of these economic pressures.

The Company as at 31 December 2021 had cash and cash equivalents balance of £904,129 (2020: £7,811)

The Directors do acknowledge that based on the investing activity of the company to the year end, 31 December 2021 being of substantial monetary value relative to the cash and cash equivalents of the Company as at 31 December 2021, that the Directors will be focused on materialising value from its existing investee (s) rather than looking to invest similar quantum's. The Company, as at now, is not generating income from its investment portfolio. The Directors are cognisant that whilst its working capital position is robust, it may rely on external capital investment by way of debt or equity in the event a potential investment interest that the Directors wish to pursue on completion would negatively impact its working capital and subsequent ability to meet its financial obligations as and when they fall due.

Key accounting estimates and judgements
In the application of the company's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

i) Recoverable value of trade and loan receivables

The Company makes assumptions when implementing the forward-looking Expected Credit Loss model under IFRS 9. The model is used to assess material loans receivable for impairment. Estimates are made regarding the credit risk and underlying probability of default in each of the relevant credit loss scenarios.

The directors make judgements on the expected likelihood and outcome of each of the scenarios and these expected values are applied to the loan balances.

Further details relating to management's assessment of the recoverable value of trade and loan receivables can be found in the Strategic Report.

ii) Fair value of the investments
The Company is required to make judgments over the carrying value of investments in unquoted companies where fair values cannot be readily established and evaluate the size of any impairment required.

It is important to recognise that the carrying value of such investments cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately. Management's significant judgement in this regard is that the value of their investment represents their cost less previous impairment.

Further details relating to management's assessment of the carrying value of unlisted investments can be found in the Strategic Report.

iii) Share-based payment transactions
Accounting for some equity-settled share-based payments awards require the use of valuation models to estimate the future share price performance of the company. These estimates require the directors to make assumptions regarding share volatility, risk free rate and expected life of awards in order to determine the fair values of the awards at grant date.

New and amended standards and Interpretations
The following amendments to standards have become effective for the first time for annual reporting periods commencing on 1 January 2021 and have been adopted in preparing these financial statements:

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2021:

Notes to the Financial Statements - continued
for the year ended 31 December 2021

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2021:

	Effective date: Annual periods beginning on or after:	Expected Impact
Amendment to IFRS 16, 'Leases' - Covid-19 related rent Concessions	1 June 2020	No
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2	1 January 2021	No
Amendments to IAS 1, Presentation of financial statements on classification of liabilities	1 January 2021	No

At the date of approval of these financial statements, the following amendments to IFRS which have not been applied in these financial statements were in issue but not yet effective:

	Effective date Annual periods beginning on or after	Expected Impact
Reference to the Conceptual Framework - Amendments to IFRS 3 – Business Combination	1 January 2022	No
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	1 January 2022	No
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2023	No
Provisions, Contingent liabilities and Contingent asset – Amendments to IAS 37	1 January 2022	No

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2. **ACCOUNTING POLICIES - continued**

Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in the statement of comprehensive income over the estimated useful lives of each component.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives of significant items of property, plant and equipment are as follows:

- Computer equipment - 2 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2. **ACCOUNTING POLICIES - continued**

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

Trade receivables are initially recognised at fair value. The impairment requirements use an expected credit loss model to recognise an allowance. For receivables a simplified approach to measure expected credit losses during a lifetime expected loss allowance is available and has been adopted by the Company. During this process the probability of the non-payment of the 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 receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being reported within the consolidated statement of comprehensive income. On confirmation that the trade and intra group receivable will not be collectable, the gross carrying value of the asset is written off against the provision.

Financial Assets - Impairment
(i) Non-derivative financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and had an impact on the estimated future cash flows from that asset that can be estimated reliably

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Financial assets measured at amortised cost
The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

2. **ACCOUNTING POLICIES - continued**

(ii) Non-financial assets
The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Indefinite-lived intangible assets are tested annually for impairment or when there is an indication of impairment. An impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit ('CGU') exceeds its recoverable amount.

The recoverable amount of an asset of CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Cash and cash equivalents
Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under current liabilities on the Statement of Financial Position.

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

Investments
Investments, which include equity and debt investments, are designated on initial recognition as financial assets at fair value through profit or loss. This measurement basis is consistent with the fact that the Company's performance in respect of its portfolio investments is evaluated on a fair value basis in accordance with an established investment strategy. When investments are recognised initially, they are measured at fair value.

After initial recognition the fair value of listed investments is determined by reference to bid prices at the close of business on the reporting date. Unlisted equity investments are measured at fair value by the directors in compliance with the principles of the International Private Equity and Venture Capital Guidelines, updated and effective December 2015, as recommended by the European Venture Capital Association. The fair value of unlisted equity investments is determined using the most appropriate of the valuation methodologies set out in the guidelines. These include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; earnings or profit multiples; indicative offers; discounted cash flow analysis and pricing models.

Wherever possible the Company uses valuation techniques which make maximum use of observable market-based inputs and accordingly the basis of the valuation methodology preferred by the Company is 'price of most recent investment'. Where 'price of most recent investment is no longer considered to be appropriate, the Company has used.

2. **ACCOUNTING POLICIES - continued**

Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

The fair value of investments is first based on quoted prices, where available. Where quoted prices are not available, the fair value is estimated using consistent valuation techniques across periods of measurement.

The Company's unlisted equity investments are recorded at fair value or at amounts whose carrying values approximate fair value.Net gains and losses, including any interest or dividend income, are recognised in its profit or loss statement.

In accordance with IFRS 13, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety.

These are described as follows:

Level 1 – Quoted market prices

Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Valuation Techniques using observable inputs

Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3 – Valuation techniques using significant unobservable inputs

Fair value measurements are those derived from inputs that are not based on observable market data.

Non-derivative financial liabilities

The Company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

2. **ACCOUNTING POLICIES - continued**

Foreign currency translation
(a) Functional and presentation currency

The financial information is presented in pounds sterling, which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Employee benefit costs
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Segmental reporting
A business segment is a group of assets or operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing services within a particular economic environment that is subject to different risks and returns from other segments in other economic environments.

The Directors consider there to be one operating segment: that of an investment trading company seeking to make capital and interest returns on its investments and loans made.

Grants
Grant income during the year has been accounted for using the accruals model. The grant is recognised in income within the period the costs to which the grant is related are incurred. Grant income during the year totals £19,824 (2020: £46,056) and is included within Other operating income. Grant income related to furlough claims made during the year.

Interest Income
Interest income is recognised using the effective interest method. Interest income is interest earned on bank deposit accounts and loan receivables and is included within the statement of comprehensive income. Revenue is deferred when it does not meet the revenue recognition policy and is presented as deferred income in the statement of financial position

Expenses
All expenses are accounted for on an accruals basis.

2. **ACCOUNTING POLICIES - continued**

Financial risk management

Credit risk

Deposits, as a general rule, are placed with banks and financial institutions that have ratings of not less than AA or equivalent, which are verified before placing the deposits. The board will continue to assess the strategies for managing credit risk and is satisfied with existing policies.

Interest rate risk

During the period the Company's surplus funds were placed in deposits at floating rates. The Company's debt is provided through fixed dividend preference shares.

Capital management

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide long-term returns to shareholders. The Company defines and monitors capital on the basis of the carrying amount of equity, less cash and cash equivalents as presented on the face of the Balance Sheet.

The Board of Directors monitors the level of capital as compared to the Company's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares. The Company is not subject to any externally imposed capital requirements.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances to ensure the Company can meet liabilities as they fall due.

Share-based payments

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability or sales growth targets, or remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

At the end of each reporting period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Equity instruments including share capital

Equity instruments issued by the Company are recorded at the proceeds received, net of incremental costs attributable to the issue of new shares.

An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Share capital represents the amount subscribed for shares at nominal value.

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. Any bonus issues are also deducted from share premium.

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

Other reserves arise from the requirement to value share options and warrants in existence at the grant date

Notes to the Financial Statements - continued
for the year ended 31 December 2021

3. **EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries (including directors)	24,134	119,307
Social security costs	2,057	3,082
Other pension costs	85	(2,971)
	26,276	119,418

The average number of employees (including directors) during the year was as follows:

	2021	2020
	5	1

	2021	2020
	£	£
Directors' remuneration and fees	166,395	96,000

4. **NET FINANCE INCOME**

	2021	2020
	£	£
Finance income:		
Interest receivable	-	(23,657)
	-	(23,657)
Finance costs:		
Interest payable	-	163,450
Conversion of Preference shares to Ordinary shares	-	(4,548,821)
Amortisation of preference share	-	697,067
	-	(3,688,304)
Net finance income	-	(3,711,961)

5. **(LOSS)/PROFIT BEFORE INCOME TAX**

The loss before income tax (2020 - profit before income tax) is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	1,048	456
Loss on disposal of fixed investment assets	14,770	-
Auditors' remuneration	22,000	30,000
Loan write-off	93,405	-

6. INCOME TAX

Analysis of tax expense

The total tax charge for the year has been reconciled to the loss for the year (PY: profit) multiplied by the weighted average applicable tax rate as follows:

	2021	2020
	£	£
(Loss)/profit before income tax	**(493,994)**	3,291,172
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	**(93,859)**	625,323
Effects of:		
Adjustment of preference shares	-	132,443
Preference dividends paid	-	31,056
Income not chargeable	-	(864,276)
Loss during the year carried forward	**90,980**	75,454
Expenses not deductible for tax purposes	**447**	-
Fair value loss	**2,432**	-
Tax expense	-	-

At Spring Budget 2021, the government announced an increase in the Corporation Tax main rate from 19% to 25% for companies with profits over £250,000 together with the introduction of a small profits rate of 19% with effect from 1 April 2023. The small profits rate will apply to companies with profits of not more than £50,000, with marginal relief available for profits up to £250,000.

As at 31 December 2021, the Company had losses of £915,391 (2020: £468,234) to carry forward.

No deferred tax asset has been recognised as recovery of tax losses is not considered probable.

Igraine Plc (Registered number: 06400833)

Notes to the Financial Statements - continued
for the year ended 31 December 2021

7. **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of shares outstanding for 2021 was 46,267,028 (2020: 3,025,577,867).
Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. The weighted average number of shares, including dilutive instruments, outstanding for 2021 was 58,726,079 (2020: 3,065,327,867).

Reconciliations are set out below.

	Earning £	Weighted average number of shares	Per-share amount (£)
Year ended 31 December 2021			
Basic EPS			
Earnings attributable to ordinary shareholders	(493,994)	46,267,028	(0.01)
Effect of Dilutive securities			
Options and warrants	(493,994)	12,459,051	(0.01)
Diluted EPS			
Adjusted earnings	**(493,994)**	**58,726,079**	**(0.01)**

	Earning £	Weighted average number of shares	Per-share amount (£)
Year ended 31 December 2020			
Basic EPS			
Earnings attributable to ordinary shareholders	3,291,171	3,025,577,867	0.109
Diluted EPS			
Adjusted earnings	3,291,171	3,065,577,867	0.107

8. **PROPERTY, PLANT AND EQUIPMENT**

	Computer equipment 2021 £
COST	
At 1 January 2021	
and 31 December 2021	2,418
DEPRECIATION	
At 1 January 2021	1,370
Charge for year	1,048
At 31 December 2021	2,418
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	1,048

9. **INVESTMENTS**

	Unlisted investments £
FAIR VALUE AMOUNT	
At 1 January 2021	**15,113**
Additions	**600,000**
On 31 December 2021	**615,113**
NET BOOK VALUE	
At 31 December 2021	**615,113**
At 31 December 2020	15,113

The valuation of Excalibur Medicines Ltd (£600,000) is based on initial costs which approximate the fair value. At year end, the Excalibur Medicines Investments could not be reliably measured, and as such are held at cost less impairment. There were no impairment indicators noted. Detailed review of the investment and the progress has been included in the Strategic Report.

The valuation of Just Bee (£15,113) reflects the value of the net assets of Just Bee at the year end, and represents the Directors' best estimate of the fair value based on the information available to us.

All investments held as at 31 December 2021 and 31 December 2020 were held at a fair value using Level 3 of the Fair Value

10. **TRADE AND OTHER RECEIVABLES**

	2021 £	2020 £
Current:		
Trade debtors	-	18,900
Other debtors	**150,522**	500
Other loan	-	74,342
VAT	**1,169**	5,464
Prepayments and accrued income	**2,376**	16,578
	154,067	115,784

The IFRS 9 expected credit loss impairment recognised in respect of trade receivables in the year was £18,900 (2020: £21,515).

The IFRS 9 expected credit loss impairment recognised in respect of short-term loan receivables in the year was £74,505 (2020: £19,714).

The total credit loss recognised in the Statement of Comprehensive Income is £93,405 (2020: £41,229).

Notes to the Financial Statements - continued
for the year ended 31 December 2021

11. **INVESTMENTS**

	2021	2020
	£	£
Short term investment	7,205	48,201

Short Term Investments

	2021	2020
	£	£
Fair value at 1 January	48,201	28,553
Additions	-	22,780
Disposal	(28,198)	-
Fair value movement on investments	(12,798)	(3,132)
Fair value at 31 December	7,205	48,201

All short-term investments are valued at Level 1 of the Fair Value hierarchy.

Short term investments are represented by 200,000 (2020: 482,010) ordinary shares in Rapid Nutrition plc ("Rapid").

Rapid is a public company listed on the OTCQB of the OTC Markets with the symbol RPNRF and on the Six Swiss Exchange with the symbol RAP. During the year 132,010 shares has been sold at $0.14 per share and 150,000 shares has been sold at $0.049 per share.

12. **CASH AND CASH EQUIVALENTS**

	2021	2020
	£	£
Bank accounts	904,129	7,811

13. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid

	2021	2020
86,510,811 Ordinary shares of £0.00002 each	1,730	77,533
710,082,349 A Deferred Shares of £0.008 each	56,807	56,807
4,604,255 B Deferred Shares of £0.09128 each	420,276	420,276
5,504,155 Deferred Shares of £0.01998 each	109,973	
	588,786	554,616

1,627,496,948 New Ordinary Shares of £0.00002 each were allotted as fully paid at a premium of £0.0000058065 per share during the year.

77,519,230 New Ordinary Shares of £0.00002 each were allotted as fully paid at a premium of £0.025787 per share during the year.

3,487,426 New Ordinary Shares of £0.00002 each were allotted as fully paid at a premium of £0.025787 per share during the year. These were convertible loan notes which were converted into equity during the period.

On the 28th of June 2021 the share capital of the company was reorganized through a consolidation and sub-division. The ordinary shares of £0.00002 were consolidated into new ordinary shares of £0.02 each on the basis of one new ordinary share for every 1,000 ordinary shares of £0.00002 each.

Each existing ordinary share with a par value of £0.02 was then subdivided into:
- One new ordinary share of £0.00002 each; and
- One deferred share of £0.01998 each

As a result of this the 5,504,155,335 Ordinary shares were consolidated and subdivided to 5,504,155 Ordinary shares and 5,504,155 Deferred shares.

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

Deferred:
The holders of Deferred shares shall not be entitled to receive any dividend or distribution and only be entitled to any repayment of capital on winding up once the holders of Ordinary shares have received £1,000,000 in receipt of each Ordinary share held by them.

14. RESERVES

	Share premium £	Other reserves £	Retained earnings £	Totals £
At 1 January 2021	26,818	-	(678,711)	(651,893)
Deficit for the year	-	-	(493,994)	(493,994)
Warrants charge	-	46,116	-	46,116
Transaction cost	(178,153)	-	-	(178,153)
Issue of shares	2,098,330	-	-	2,098,330
At 31 December 2021	1,946,995	46,116	(1,172,705)	820,406

15. **FINANCIAL LIABILITIES - BORROWINGS**

Non-current portion

	2021	2020
	£	£
Interest bearing loans and borrowings	38,464	50,000

Current portion

	2021	2020
	£	£
Interest bearing loans and borrowings	10,649	-

Bank loans and overdrafts is in respect of a Business Bounce Back Loan taken on 5 November 2020 the Company received a £50,000 Business Bounce Back Loan from the Co-Operative Bank plc. The loan is repayable over 72 months with no repayments falling due within the first 12 months. Interest is payable at 2.5% over the duration of the loan although no interest is payable for the first 12 months. The first payment has been made in December-21.

16. **TRADE AND OTHER PAYABLES**

	2021	2020
	£	£
Current:		
Trade creditors	150,519	117,124
Social security and other taxes	1,778	26,094
Other creditors	24,069	-
Wages payable	-	3,722
Pension payable	1,293	1,094
Accruals and deferred income	44,550	87,200
	222,209	235,234

17. **RELATED PARTY DISCLOSURES**

During the year Mr Walker, a director of the Company, invoiced consultancy fees of £25,520 (2020: £26,429) this has subsequently been deemed to not be payable and therefore £27,054 has been written off in the year.

Mr Walker was a director of ASSIF Limited, an investee of the Company.

The director of Barnado Capital, Felix Grant-Rennick is a connected person to SR Grant-Rennick and as such is a related party. During the year, a total of £22,300 was paid to Barnado Capital.

See details of directors' emoluments in the directors' report.

18. **EVENTS AFTER THE REPORTING PERIOD**

Please refer to the strategic report.

19. **ULTIMATE CONTROLLING PARTY**

There was no single controlling party as at 31 December 2021 or 31 December 2020.

20. **SHARE OPTIONS AND WARRANTS**

The company has a share option scheme under which the options to subscribe for the company's shares are granted to the directors and other persons. The options are exercisable at £0.05p, for a period of 5 years, vesting immediately on award. In the event that all or part of such options are exercised within 5 years from the date of issuance, then the holder shall receive, upon exercise of each option, one new bonus option with an exercise price of £0.10 each, expiring on the 5th anniversary of issue and vesting immediately on award. The weighted average remaining contractual life of the share options outstanding at the end of the period was 4 years and 6 months.

The company previously had 39,750,000 options issued under previous ownership, which have now all lapsed.

2021	**Number**	**WAEP £**
Outstanding at beginning of year	39,750,000	0.35
Lapsed options	(39,750,000)	(0.35)
Issued shares	18,000,000	0.05
Issued warrants	2,162,772	0.025
Number vested & exercisable at 31 December	**23,427,772**	**0.05**

Directors Options Issued to the Year End:

	No of Options	**Strike Price**	**Expiry date**
Professor Sir Chris Evans	4,500,000	£0.05	June-26
Martin Walton	4,500,000	£0.05	June-26
Steve Winfield	4,500,000	£0.05	June-26
Burns STB	2,250,000	£0.05	June-26
Simon GR	2,250,000	£0.05	June-26
	18,000,000		

The Company uses the Black-Scholes method to calculate the value of the options/warrants in issue and the charge to make to profit to reflect the fair value of the options during the reporting period. Since all options/warrants are issued at or very close to the fair value at the time of grant, the value of any charge to make is entirely immaterial to the users of the financial statements and as such the Directors have decided not to reflect any charge in the financial statements.

During the year the company has issued 18,000,000 options to the directors. The assessed fair value at grant date of the warrants during the year ended 31 December 2021 was £0.01. The fair value at grant date is independently determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

The Company recognised total expenses of £18,000 (2020: £Nil) related to share options accounted for as equity-settled share-based payment transactions during the year.

The model inputs for options granted during the year ended 31 December 2021 included:
a) exercise price: £0.05
b) grant date: 30 June 2021
c) expiry date: 30 June 2026
d) share price at grant date: £0.026
e) expected price volatility of the company's shares: 25%
f) risk-free interest rate: 0.80%

In addition, the company has issued 2,162,772 warrants. The assessed fair value at grant date of the warrants during the year ended 31 December 2021 was £0.013. The fair value at grant date is independently determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

In addition, the company recognised total expenses (netted against share premium) of £28,116 (2020: £Nil) related to warrants accounted for as equity-settled share-based payments transactions during the year.

The model inputs for warrants granted during the year ended 31 December 2021 included:
a) exercise price: £0.0258
b) grant date: 28 June 2021
c) expiry date: 28 June 2026
d) share price at grant date: £0.035
e) expected price volatility of the company's shares: 25%
f) risk-free interest rate: 0.80%

21. FINANCIAL INSTRUMENTS

The Board of Directors attribute great importance to professional risk management, proper understanding and negotiation of appropriate terms and conditions and active monitoring, including a thorough analysis of reports and financial statements and ongoing review of investments made.

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy and has established processes to monitor and control the economic impact of these risks. The Board of Directors review and agrees policies for managing the risks as summarised below.

The Company has exposures to the following risks from financial instruments:
- Credit risk
- Liquidity risk
- Market risk
- Price risk

The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.
The Company has no interest rate derivative financial instruments (2020: none).

The carrying values of the Company's financial assets and liabilities are summarised by category below:

Financial assets by category:	**2021**	2020
	£	£
Assets held at Amortised Cost		
Other debtors	**150,522**	115,784
Cash and cash equivalents	**904,119**	7,812
Assets held at fair value		
Investments	**622,318**	63,314
	1,676,959	186,910

Financial liabilities by category:		
Liabilities held at Amortised cost:		
Trade and other payables	**200,746**	384,083
	200,746	384,083

Financial liabilities exclude other creditors of £19,685 and the social security and other taxes.

The Company's gains and losses in respect of financial instruments are summarised below:

Fair value gains and losses	**2021**	**2020**
	£	**£**
On listed investments measured as fair value through P&L	**(12,798)**	(147,033)
	(12,798)	(147,033)