

IGRAINE PLC
(FORMERLY ANGELFISH INVESTMENTS PLC)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Company Registration Number: 06400833

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020

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**IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020**

COMPANY INFORMATION

Directors

Richard Ian Walker
Simon Grant-Rennick (Appointed 26 April 2021)
Burns Singh Tennent-Bhoji (Appointed 26 April 2021)
Sir Professor Christopher Evans (Appointed 28 June 2021)
Stephen David Winfield (Appointed 28 June 2021)
Martin Walton (Appointed 28 June 2021)

Secretary

Michael Louis Bennett (Appointed 21 July 2021)

**Company Number
Registered Office and Business
Address**

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Hill Dickinson LLP
8th Floor, The Broadgate Tower
20 Primrose Street
London
EC2A 2EW

Auditors

PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
London
E14 4HD

Bankers

Co-Operative Bank plc
P.O Box 101
1 Balloon Street
Manchester
M60 4EP

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STRATEGIC REPORT

PRINCIPAL ACTIVITIES

The Company's principal activity is that of an investment company listed on the Access Segment of the AQSE Growth Market (formerly the NEX Exchange Growth Market) with trading symbol AQSE:KING

Since June 2017, the Company's investment strategy has been focused on the service and technology sectors, including products related to social or life enhancement.

Following the restructuring process concluded in September 2020 and the appointment of Brian Jones as Non-Executive Chairman, the Company has continued to support its existing investments, focused on the service and technology sectors (including products related to social or life enhancement), with a view to achieving exits where opportunities arise. The Company will narrow the focus of its investment strategy going forward, to target businesses and companies where the opportunity exists to develop complementary services that support the NHS in delivering high quality, patient focused, integrated care.

It is intended that the Company will, invest through a number of financial instruments including but not limited to; secured convertible loan notes, equity and to acquire shareholdings in UK based or overseas companies whose managements are proposing to seek a stock market quotation in the short/medium term, although the acquisition of minority interests in companies already admitted to the AIM Market of the London Stock Exchange or the AQSE Growth Market will not necessarily be precluded. The Directors will also consider investment opportunities where the natural exit strategy will be through a trade sale.

In April 2021, the company began to conduct a recapitalisation and restructure welcoming new Directors, investment and adopting a revised investment policy, focusing on the med-tech industry. Please refer to the Directors Post Year End Review for full detail.

REVIEW OF BUSINESS

During the year to 31 December 2020 the Company made a loss before amortisation of preference shares of £560,573 (31 December 2019: loss of £2,798,129). Following Meetings of both classes of Shareholders the Company's preference shares were converted into ordinary shares on 26 September 2020. This resulted in a write back to reserves of £4,548,821 During the year there was a charge of £278,980 (31 December 2019: £557,959) in respect of amortisation of the preference shares which was required up to date of conversion. In addition, there was a charge of £418,087 crystallised on the conversion of the shares.

As at 31 December 2020, the Company had net liabilities per share totalling 0.01p (2019: 0.55p)

Wallet Ads

On 2 January 2019 the Company announced that £150,000 of secured convertible loan notes ("Loan Notes") had been converted into equity representing 20% of the ordinary share capital of Wallet Ads.

Wallet Ads owns and operates a mobile engagement platform that combines mobile wallet passes (Apple Wallet / Google Pay), HTML5 web and social media (Facebook, Twitter, WhatsApp) technologies to enable brands to deliver digital vouchers or passes direct to consumers' smartphones. Wallet Ads became revenue generating in the latter half of 2019, although progress was mostly linked to test campaigns.

Further development of the platform stalled in 2020 due to the limited working capital available to Wallet Ads with it requiring further investment. The Company will not be providing further investment to Wallet Ads and The Directors continue to monitor this investment, consider it non-core and will seek to materialise value from the investment position.

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Rapid Nutrition

In early January 2020 the Company received the final repayment of the loan monies previously advanced to Rapid Nutrition Plc ("Rapid"), a natural healthcare company focused on the research, development and production of a range of life science products. Rapid is presently listed on the SIX Swiss Exchange, Zurich, and has also applied for the dual admission of its existing issued shares to the OTCQB listing segment of the OTC Market.

As part of negotiations in recovering the loan in full the Company agreed to forgo any remaining costs and interest due on the loan in exchange for 232,010 fully paid shares, in addition to 250,000 fully paid ordinary shares previously accepted in lieu of interest due on the loan.

The Company's shareholding in Rapid represents a 0.8% holding. Rapid's share price was USD 0.138 at 31 December 2020 with the movement in the share price leading to a fair value loss of £3,132 in the year.

XMG

We reported in 2017 that we had provided a loan facility, to X Markets Group Limited ("XMG"). XMG seeks to provide non-bank liquidity offering executable prices for a variety of mainly spot products which includes CFDs, FX, futures and equities. It streams prices to its clients who are forex and CFD brokers as well as tier-1 & tier-2 banks, brokers and other financial institutions (and exchanges) for their own clients' order execution.

The Company continues to work with the director of XMG, who previously reported ongoing delays in securing funding needed to commence trading. This has continued to be the case in 2020.

The balance of the loan to XMG at 31 December 2020 was £178,776 of which £100,000 is secured by way of a personal guarantee provided by the director of XMG. Having reviewed this investment and in light of the developments during 2020 The Directors consider the full provision made against this loan in 2019 to continue to be appropriate although the Company will continue to seek to recover this balance.

One Media

In 2013 the Company invested in One Media (OME). Following numerous attempts to support the officers of OME in their efforts to stabilise the business, ultimately OME was been unable to secure additional funding to re-energise that business. In late 2019 the SEC suspended trading in OME and since that time the Directors have sought to refinance the business. In December 2020 they advised that their efforts had proved fruitless, partially affected by the difficulties caused by the COVID-19 crisis, and they had collectively stepped down. OME is now in the hands of the SEC who are likely to dissolve it in due course. Any monies due from this investment were fully written off as at 31 December 2020.

Just Bee Drinks

On the 10 April 2019 the Directors of Igraine PLC (formerly Angelfish Investments PLC) announced that the Company had agreed to subscribe £150,000 for 1,840,000 Ordinary A shares in Just Bee Drinks Limited ("Just Bee"). This investment, which formed part of a total equity fund raise of £292,000, represented an equity stake of 9.14% in Just Bee following completion of this funding round. In addition, Igraine PLC agreed to provide a working capital loan to Just Bee supported by a first ranking fixed and floating debenture over the assets of Just Bee Drinks Ltd. To date this facility has not been called upon.

At the time of the investment, Just Bee produced a 100% natural juicy water drink, sweetened with a drop of honey. The brand was developed by beekeepers and also has a social and ethical mission to protect bees, helping to plant bee-friendly wildflower patches across the UK, with 5 million flowers planted to date.

During 2020, the Covid-19 crisis saw a significant impact on sales as key customers streamlined their product lines. After significant Board discussions it was decided that the Company was to close down its drinks production and that they were to be replaced by a new range of vitamin honey products. Since this change in strategic direction, early sales show indications of promise but the change in operational direction from point of original investment has altered the company's ability to materialise value from this investment and the company are not considering future investment by way of equity or debt. The Board have reviewed this investment and in light of these developments in conjunction with the latest accounts and are of the view that this investment should be written down to £15,113 at 31 December 2020.

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ASSIF

The Directors of Igraine PLC announced in May 2019 that the Company 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 are 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.

COVID – 19 has caused a number of inevitable delays to the early development of the platform although discussions with key major institutions, targeted as early adopters of the platform, continue to be constructive. In addition, the delay in executing the previous plan for the platform and continuing discussions with potential early adopters have seen the platform change significantly from what was originally planned. During the year ASSIF identified the need for substantial further pre revenue investment and stated their intention to repay the loan plus interest and costs. Discussions are continuing at this time.

The Board have therefore reviewed this financial asset and have estimated that its fair value at 31 December 2020 was equal to cost. The primary justification for this is the fact that nothing has been noted to suggest that the fair value has fallen to below cost since the convertible loan notes were purchased and the business has continued to progress with its aims for the year.

CAPITAL REORGANISATION

On 18 June 2020, the Company entered into a framework agreement with Brian Jones under which he provided £30,000 of funding in the form of convertible loan notes and, subject to the conversion of the preference shares then in issue to ordinary shares, was to provide a further £20,000 of funding which would result in him holding 29.90% of the ordinary shares capital of the company following the conversion of both the loan notes and the preference shares. This was completed on 29 September 2020.

POST-YEAR END REVIEW

Due to a late filing of the company’s final results for the Year Ending, 30 December 2019 the company’s shares were suspended in 2020.

On 26 April 2021, the company completed a recapitalisation and Board change, introducing new Directors, Mr Simon Grant-Rennick and Mr Burns Singh Tennent-Bhoji. 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.

As at date of this report the company confirms that the resolutions and proposals put to the shareholders of the company were duly passed.

On 28 July 2021 the Company changed its name to Igraine PLC.

The Financing

£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 Corporate Advisor

The company appointed Peterhouse Capital Limited as the company’s Corporate Advisor & Corporate Broker

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BOARD ADDITIONS

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-Bhoji (aged 28) – Non-Executive Director

Burns Singh Tennent-Bhoji is the founder & CEO of The Glenpani Group, an international private venture capital business based in London/UK. Glenpani's principal activity 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 including; AQSE, AIM, TSX-V, CSE & ASX.

Burns assumes a number of directorships of both private and public companies and his current appointments in public interest companies include: Chairman of Oscillate plc (AQSE: MUSH), CEO and a Director of, Evrima plc (AQSE: EVA), Director of Igraine plc (AQSE: KING) and Director of Globe Capital Ltd (AQSE: GCAP) and have included: Forum Energy Metals Corp. (TSX-V: FMC), in 2019 FMC executed a \$30,000,000 project earn-in agreement with Rio Tinto on its Janice Lake sedimentary copper project and a \$6,000,000 project earn-in with Orano & the CEO and a Director of IamFire plc (AQSE: FIRE)

Active in North American capital markets, Burns is also the founder of LC, a specialised private investment vehicle that syndicates and connects global capital investment for private transaction origination & pre-IPO opportunities. Glenpani Group maintains an extensive international network that includes corporate brokers/financiers, investment bankers, merchant banks, UHNWIs, project financiers, asset-banks and technical teams. Burns graduated from the University of Glasgow with a degree in Economics/Social Sciences.

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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

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;

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- 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 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.

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:

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STRATEGIC REPORT

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.

As at date of this report, the company has a well capitalised treasury, newly constructed investment policy and has welcomed Directors that have been at the forefront of innovation and value creation in the MedTech, life sciences and biotech industries.

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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 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 shareholder value.

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



**Simon Grant Rennick
Non-Executive Director
On Behalf of the Board
21 December 2021**

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DIRECTORS' REPORT

The directors present their report and financial statements of the Company for the period ended 31 December 2020.

The Company is incorporated and domiciled in England and Wales. The Company's ordinary shares and preference shares are quoted on the AQSE Growth Market.

Review of business

Review of business is included within the Strategic report on page 3.

Significant post balance sheet events

Post balance sheet events are referred to in note 27.

Principal risks and uncertainties

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

Funding

At the time of writing, the company has successfully raised £2,000,500 (gross) through a brokered financing led by the company's Corporate Broker, Peterhouse Capital Limited. The quantum raised reduces the company's short-term and medium-term dependency on raising capital but this remains a risk to the company. The company raises capital to meet its expenses and to fulfil its investment strategy. The company endeavours to maintain modest and manageable overheads to ensure capital can be best deployed to endeavour to create value for shareholders through investing assets or businesses. The company has a risk that sufficient funding isn't raised to meet the overheads of the business.

Security of Listing on Aquis Stock Exchange

The Company recognises the benefits of having its stock quoted on a public market, which enables it to access capital, as required, through having access to a wider investor base than would be the case if its shares were unlisted. The Board believes that the success of the Company is enhanced and better expedited through having its shares quoted on a public market such as the Aquis Stock Exchange.

Were the Company not to have its shares quoted on a public market then the Board believes that the viability of the Company would be unaffected, but that the progress it would make and the commercial opportunities it could enter into would be negatively affected.

Investment Performance

Investing in other businesses and assets has, by its nature, risks and uncertainties. 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.

The Company's Relationship with the Directors and Conflicts of Interest

The Company is dependent on the Directors to identify potential investment opportunities. The Directors are not obliged to commit their whole time to the Company's business; they will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs.

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DIRECTORS' REPORT

Risks Inherent in an Acquisition

Although the Company and the Directors will evaluate the risks inherent in a particular investment they cannot offer any further assistance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors than a direct investment.

Reliance on External Advisors

The Directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted to fail to perform as required.

Reliance on Income from the Acquired Activities

Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide the sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

Directors

The Director shown below has held office during the whole of the period from 1 January 2020 to the date of this report.

Mr Richard Walker

Other changes in directors holding officer are as follows:

Mr Kenneth J.G. Hillen – resigned 26 April 2021
Mr Brian Christopher Jones – resigned 26 April 2021
Mr Burns Singh Tennent-Bhoji – appointed 26 April 2021
Mr Simon Grant-Rennick – appointed 26 April 2021
Sir Professor Christopher Evans – appointed 28 June 2021
Mr Stephen Winfield – appointed 28 June 2021
Mr Martin Walton – appointed 28 June 2021

Mr Burns Singh Tennent-Bhoji was appointed as a Director after 31 December 2020 but prior to the date of this report

Mr Simon Grant-Rennick was appointed as a Director after 31 December 2020 but prior to the date of this report

Sir Professor Christopher Evans was appointed as a Director after 31 December 2020 but prior to the date of this report

Mr Stephen David Winfield was appointed as a Director after 31 December 2020 but prior to the date of this report

Mr Martin Walton was appointed as a Director after 31 December 2020 but prior to the date of this report

Directors' interests

The Directors did not have an interest in the shares of the Company during the year, on 26 September 2020 Brian Jones (an officer of the company during as at the year-end but not as at date of this report) acquired a 29.9% shareholding in the company.

The Directors interests as at date of this report:

**IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS' REPORT

	<u>Number of Shares</u>	<u>as a % of the Issued Share Capital</u>
Simon Grant-Rennick	813,748	0.98%
Burns Singh Tennent-Bhohi	813,748	0.98%

Dividends

The Directors do not propose a dividend in respect of the year ended 31 December 2020 (2019: nil). See note 19 for commentary on the dividends payable in respect of the preference shares issued in previous years by the Company.

Auditors

On 26 April 2021 at an Annual General Meeting, PKF Littlejohn LLP were re-appointed as auditors of the Company. In accordance with section 489 of the Companies Act 2006, a resolution proposing they be reappointed as auditors to the company will be put to the Annual General Meeting.

**IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS' REPORT

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 EU 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;
- 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 of disclosure to auditor

- a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

For and on behalf of the Board



**Simon Grant Rennick
Non-Executive Director
21 December 2021**

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)

FOR THE YEAR ENDED 31 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGRAINE PLC

Opinion

We have audited the financial statements of Igraine Plc (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 related to going concern

In auditing the financial statement, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included reviewing the forecasts covering the going concern period, ascertaining the latest cash position and reviewing/challenging the proposed expenditure for the next 12 months to confirm it is in accordance with expectation

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. We determined materiality for the financial statements as a whole to be £32,500 (2019: 33,700) using 5% of the adjusted profit/loss before tax (2019: 4% of gross assets). Gross assets were no longer an appropriate benchmark due to the write down of the majority of the investments and loans in the prior year in preparation for the recapitalisation noted below.

We consider the adjusted profit before tax to be significant to the users of the financial statements as it is the driver of the entity. The entity is looking to recapitalise, resulting in the short-term focus being to reduce costs and therefore minimise losses. The profit before tax is adjusted to remove the gain on the conversion of the preference shares which was distorting the underlying results.

Performance materiality was set at 70% (2019: 70%) reflecting the risk profile of the audit. We applied the concept of materiality both in planning and performing the audit, and in evaluating the effect of misstatement.

**IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGRAINE PLC

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. We addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represents a risk of material misstatement due to fraud. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, such as the fair value of unquoted investments and the recoverable value of trade and other receivables.

In addition, we focused our audit on the significant risk areas including the Key Audit Matter as outlined below.

A full scope audit was performed on the complete financial information of the Company.

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. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Investments (see Note 11)	
The Company holds several unlisted investments. There is a risk that these are materially misstated as there is no active market for these and the use of valuation techniques; involving significant estimates and judgements is required in determining the fair value.	<p>Our work in this area included:</p> <ul style="list-style-type: none">• Reviewing, assessing and challenging Management's valuation of the unlisted investments, checking supporting evidence where available;• Reviewing all unlisted investments for indications of impairment by discussing with Management and reviewing all available financial information in relation to said unlisted investment.• Performing a reconciliation of the investment holdings, checking that the correct classification has been applied to each holding and that the fair value hierarchy disclosure is accurately disclosed; and• Checking all investment disposals to supporting documentation and recalculating realised gains/losses to ensure it has been accurately calculated.

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

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)

FOR THE YEAR ENDED 31 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGRAINE PLC

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 throughout the audit and the application of cumulative audit knowledge and experience of the sector.

**IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IGRAINE PLC

- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, Aquis market listing rules and International Financial Reporting Standards.
- 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:
 - Review of minutes
 - Enquiry from management
- We also identified the risks of material misstatement of the financial statements due to fraud. We addressed this risk by recalculating the management income to ensure it is in accordance with the underlying contractual agreements.
- 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.



**Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor**

15 Westferry Circus
Canary Wharf
London E14 4HD

21 December 2021

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2020 £	2019 £
Revenue		-	-
Cost of sales		-	-
Gross profit/(loss)		-	-
Other operating income	3	61,556	47,000
Administrative expenses	5	(294,084)	(229,160)
Loss before investment activities		(232,528)	(182,160)
Fair value decrease in investments	12/13	(147,033)	(923,365)
Foreign exchange gain/loss		-	(11,095)
Impairment of loans and trade receivables	14	(41,229)	(1,626,367)
Interest income	7	23,657	271,759
Interest payable at 7.1% on preference shares		(163,450)	(326,900)
Loss before amortisation of preference shares		(560,583)	(2,798,129)
Conversion of Preference shares to Ordinary shares	17	4,548,821	-
Amortisation of preference shares	17	(697,067)	(557,959)
Profit/(Loss) before taxation		3,291,171	(3,356,088)
Taxation	8	-	-
Profit/(Loss) for the period		3,291,171	(3,356,088)
Other comprehensive income		-	-
Total comprehensive income attributable to equity holders of the company		3,291,171	(3,356,088)
Earnings per share for profit attributable to the equity shareholders			
Basic earnings per ordinary share (p)	10	0.109	(0.123)
Diluted earnings per ordinary share (p)	10	0.107	(0.123)

There are no recognised gains and losses other than those passing through the income statement.

- The notes form part of these financial statements -

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF FINANCIAL POSITION

	Notes	2020 £	2019 £
Assets			
Non-current assets			
Property, plant and equipment	11	1,048	913
Investments at FVTPL	12	15,113	154,014
		<u>16,161</u>	<u>154,927</u>
Current assets			
Short term investments at FVTPL	13	48,201	28,553
Trade and other receivables falling due within one year	14	115,784	208,881
Cash and cash equivalents	15	7,812	56
		<u>171,797</u>	<u>237,490</u>
Total assets		<u>187,958</u>	<u>392,417</u>
Equity and liabilities			
Equity			
Issued share capital	19	554,616	71,008
Share premium	20	26,818	-
Retained earnings	20	(678,711)	(3,969,882)
		<u>(97,277)</u>	<u>(3,898,874)</u>
Non-current liabilities			
Loans and borrowings	16	50,000	3,907,208
Current liabilities			
Trade and other payables	18	235,235	384,083
Total liabilities		<u>285,235</u>	<u>4,291,291</u>
Total equity and liabilities		<u>187,958</u>	<u>392,417</u>

Approved by the Board for issue on 21 December 2021



Mr Simon Grant-Rennick
 Non-Executive Director

- The notes form part of these financial statements -

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF CHANGES IN EQUITY

	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 31 December 2018	71,008	-	(613,794)	(542,786)
Loss for period	-	-	(3,356,088)	(3,356,088)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(3,356,088)	(3,356,088)
Balance at 31 December 2019	71,008	-	(3,969,882)	(3,898,874)
Profit for period	-	-	3,291,171	3,291,171
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,291,171	3,291,177
Issue of Ordinary Shares	6,525	26,818	-	33,343
Issue of A Deferred Shares	56,807	-	-	56,807
Issue of B Deferred Shares	420,276	-	-	420,276
Balance at 31 December 2020	554,616	26,818	(678,711)	(97,277)

- The notes form part of these financial statements -

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF CASH FLOWS

	2020	2019
	£	£
Cash flow from operating activities		
Net cash outflow from operating activities	A (140,468)	(181,338)
Cash flows from investing activities		
Purchase of plant, property and equipment	(591)	(913)
Purchase of non-current investments	-	(243,415)
Increase in loan payable	50,000	-
Increase in short term investments	-	-
Decrease in loan receivables	48,815	(902,711)
Net cash outflow from investing activities	98,224	(1,147,099)
Cash flow from financing activities		
Preference dividends paid	-	(155,743)
Proceeds from issue of shares	50,000	-
Net cash inflow from financing activities	50,000	(155,743)
Net increase/(decrease) in cash in the year	7,756	(1,484,180)
Cash and cash equivalents at the beginning of the year	56	1,484,236
Cash and cash equivalents at the end of the year	7,812	56

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE STATEMENT OF CASH FLOWS

	2020	2019
	£	£
A. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS		
Profit/(loss) before taxation	3,291,171	(3,356,088)
Depreciation	457	913
Amortisation adjustment on preference shares	697,067	557,959
Amortisation adjustment on conversion of preference shares	(4,548,821)	-
Impairment of loan and trade receivables	41,229	1,626,367
Interest receivable	(23,657)	(271,759)
Interest payable	163,450	326,900
Foreign exchange	-	11,095
Loss on financial assets FVTPL	147,043	923,365
Decrease/(increase) in trade and other receivables	28,583	(70,496)
(Decrease)/Increase in trade and other payables	63,010	70,406
Net cash outflow from operating activities	(140,468)	(181,338)

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The principal activity of Igraine Plc is that of an investment company, refer to Strategic report (page 3) for full details.

The company is a public limited company incorporated and domiciled in the United Kingdom, having a registered office at 8th Floor, The Broadgate Tower, 20 Primrose Street London, EC2A 2EW . The registered number of the company is 06400833.

2. Basis of preparation

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.

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 information has been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain financial assets at fair value through the income statement.

At the time of writing, the company has successfully raised £2,000,500 (gross) through a brokered financing led by the company's Corporate Broker, Peterhouse Capital Limited. The quantum raised reduces the company's short and medium term dependency on raising capital. The company raises capital to meet its expenses and fulfil its investment strategy. The Company endeavours to maintain modest and manageable overheads to ensure capital can be best deployed to endeavour to create value for shareholders through investing in assets or businesses.

The COVID-19 outbreak has had, and will likely continue to have, significant adverse impact on global economies. The Directors acknowledge these adverse impacts, however, as stated above following the recent fund raising and on preparation of management forecasts which have been based on different scenarios, the current liquidity position is considered more than adequate to meet the Company's plans over the going concern period.

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 makes

**IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)
FOR THE YEAR ENDED 31 DECEMBER 2020**

NOTES TO THE FINANCIAL STATEMENTS

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.

International Financial Reporting Standards in issue but not yet effective

The IASB and IFRS Interpretations Committee have issued the following standards and interpretations with an effective date of implementation for accounting periods beginning after the date on which the financial statements for the current year commenced.

i) New standards and amendments applicable 1 January 2020:

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2020:

	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 17 and IFRS 4, 'Insurance contracts' deferral of IFRS 9	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

ii) Forthcoming requirements

As at 31 December 2020, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending 31 December 2020:

	Effective date: Annual periods beginning on or after:	Expected impact
Reference to the Conceptual Framework - Amendments to IFRS 3	1 January 2022	No
Annual Improvements to IFRS Standards 2018 - 2020	1 January 2022	No
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	1 January 2023	No

NOTES TO THE FINANCIAL STATEMENTS

3. 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.

Financial assets

The Company's financial assets measured at amortised cost comprise trade and other receivables, 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 or loss.

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NOTES TO THE FINANCIAL STATEMENTS

(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 or 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 comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash.

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 Group is 'price of most recent investment'. Where 'price of most recent investment' is no longer considered to be appropriate, the Group has used valuations based on discounted cash flow method using business forecasts provided by the investee company.

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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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 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 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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

(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.

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.

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 £56,056 and is included within Other operating income.

Management Fees

The Company earns fee income from the services it provides to its investee companies. This other income is recognised at the fair value of the consideration received or receivable, excluding rebates. Fees earned for the provision of an ongoing service are recognised as that service is provided

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

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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.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in the income statement as accrued.

Preference share capital and premium is included at fair value. Costs associated with preference share funds raised are amortised in the Income Statement over the remaining life of the Preference shares.

Capital

The objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure that optimises the cost of capital. In order to maintain or adjust the capital structure the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Capital comprises all components of equity; share capital, share premium, and retained earnings.

Equity Settled share option plan

The Company has applied the requirements of IFRS2 Share-based payments in accordance with current provisions. The company issues equity-settled share based payments to certain employees, which are measured at fair value at the date of grant. The fair value determined at the date of grant is expensed on a straight line basis over the vesting period, based on the company's estimate of shares that will eventually vest. The fair value is determined by use of the share based payments intrinsic value.

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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.

4. Segmental analysis

The directors consider the business to have only one segment, being an investment trading company seeking to make capital and interest returns on its investments and loans made. Therefore no segmental analysis is required.

5. Expenses

The following expenses are included in administrative expenses:

	2020 £	2019 £
Directors' fees	96,000	62,000
Hotel and travel	4,257	14,887
Professional fees	117,395	75,604
Fees payable to the company auditor for the audit of the company's annual financial statements	30,000	18,000
Consultancy fees	24,962	24,242
Other expenses	26,960	34,427

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6. Personnel costs

	2020 £	2019 £
Wages and Salaries	112,336	89,240
Social security costs	7,082	5,686

Excluding directors, there is 1 employee (2019: 1).

The directors' emoluments are disclosed in note 22 with costs included in the above wages and salaries figures. The directors are considered the only key management personnel.

7. Interest Income

	2020 £	2019 £
Loan interest receivable	23,657	271,025
Bank interest receivable	-	733
Total	23,657	271,758

8. Taxation expense

Analysis of tax charge / (credit) in the year:

The Finance Act 2020 set the corporation tax rate at 19% for the financial year beginning 1 April 2020. Deferred taxes at the balance sheet date have been measure using a 19% tax rate and is reflected in these financial statements where necessary.

	2020 £	2019 £
Current year		
UK corporation tax on profits for the year	-	-
Deferred tax		
Deferred tax charges during the year	-	-

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	2020 £	2019 £
Profit/(Loss) on ordinary activities before tax	3,291,171	(3,356,088)
Taxation at the UK corporation tax rate of 19% (2019 – 19%)	625,322	(637,656)
Effects of:		
Adjustment on preference shares	132,443	106,012
Preference dividends paid	31,056	62,111
Income not chargeable	(864,276)	-
Loss during the year carried forward	75,454	469,533
Tax expense	-	-

No deferred tax asset has been provided in respect of tax losses as their crystallisation is not certain. At the balance sheet date there are approximately £5,022,579 (2019: £4,625,446) of losses carried forward.

9. Dividends

No ordinary dividends have been proposed by the company for the period ended 31 December 2020 or the prior period.

The dividends accrued and paid to preference shareholders are detailed in Note 17.

10. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculations of diluted earnings per share are based on the basic earnings per share adjusted to allow for the issue of shares on the assumed conversion of all dilutive options.

Reconciliation of the earnings and weighted average number of shares in the calculations are set out below.

	2020			2019		
	Earnings £	Weighted average number of shares	Per share amount (pence)	Earnings £	Weighted average number of shares	Per share amount (pence)
Basic earnings per share	3,291,171	3,025,577,867	0.109	(3,356,088)	2,717,537,529	(0.123)
Diluted earnings per share	3,291,171	3,065,327,867	0.107	(3,356,088)	2,757,287,529	(0.123)

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11. Property, plant and equipment

Computer
equipment
£

Cost

At 31 December 2019	1,827
Additions in the period	591
At 31 December 2020	2,418

Depreciation

At 31 December 2019	914
Charge in the period	456
At 31 December 2020	1,370

Net book amount

At 31 December 2020	1,048
At 31 December 2019	913

12. Investments - unquoted equity investments

Total
£

Fair value

At 31 December 2019	154,014
Additions in the period	5,000
Fair value movements	(143,901)
At 31 December 2020	15,113

In the period the Company reduced the fair value of its investment in Just Bee Drinks Limited to £15,113 as a result of Just Bee Limited having to close down its drinks operations due to the consequences of the COVID-19 pandemic. In September 2020 the company commenced trading with new vitamin honey products. In light of this enforced change in the company's core product the Directors have revised the valuation to reflect the value of the net assets of Just Bee at the year end.

All investments held as at 31 December 2020 and 31 December 2019 were held at a fair value using level 3 inputs.

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13. Short Term Investments

	2020 £	2019 £
Fair value at 1 January	28,553	45,988
Additions	22,780	-
Fair value movement on investments	(3,132)	(17,435)
Fair value at 31 December	<u>48,201</u>	<u>28,553</u>

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

Short term investments are represented by 200,000 shares of Common Stock in OneLife and warrants to subscribe for 200,000 shares of Common Stock in OneLife Technologies Corp. ("OneLife") and 482,010 (2019 - 250,000) ordinary shares in Rapid Nutrition plc ("Rapid").

OneLife is a public company listed on the OTC:US with a ticker symbol "OLMM". As at 31 December 2020 the shares had been delisted by the SEC awaiting dissolution of the Company by that authority. These shares are valued at nil, the share price at the end of 2019 was \$0.0002 per share equivalent to £0.0002 per share. The shares have been valued at £nil (2019: £nil).

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. As at 31 December 2020 the share price of Rapid on the Six Exchange was USD 0.138 (2019: euro 0.135) per share equivalent to £0.101 (2019: £0.114).

14. Trade and other receivables

	2020 £	2019 £
Trade receivables	18,900	21,300
Prepayments	16,578	16,282
Short term loans receivable	74,342	138,856
Other receivables	5,964	32,443
	<u>115,784</u>	<u>208,881</u>

The IFRS 9 expected credit loss impairment recognised in respect of trade receivables in the year was £21,515 (2019: £298,646). The IFRS 9 expected credit loss impairment recognised in respect of short term loan receivables in the year was £19,714 (2019: £1,327,721). The total credit loss recognised in the Statement of Comprehensive Income is £41,229.

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The remaining short term loans receivable are in respect of a loan facility of £74,342 to ASSIF (2019 - £74,342). On the 23 May 2019 Igraine 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 are supported by a first ranking legal charge over the assets of ASSIF. However, only the first tranche £74,342 of the convertible loan notes was provided.

15. Cash and cash equivalents

	2020 £	2019 £
Cash and cash equivalents	7,812	56
	<u>7,812</u>	<u>56</u>

16. Loans and Borrowings

	2020 £	2019 £
Bank loans and overdrafts	50,000	-
Preference shares (note 17)	-	3,907,207
Total	<u>50,000</u>	<u>3,907,207</u>

Bank loans and overdrafts are 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.

17. Preference shares

	2020 £	2019 £
Nil (2019: 4,604,255) preference shares at 10p	-	460,425
Share premium on preference shares	-	4,143,830
Total preference shares	-	4,604,255
Less issue costs	-	(840,399)
Total preference share liability	-	3,763,856
Amortisation of preference shares	-	1,672,816
Cancellation of share premium on preference shares	-	(1,529,465)
Redeemable preference shares	<u>-</u>	<u>3,907,207</u>

Preference shares are Included in Loans and Borrowings (note 16). The preference shares previously in issue were cumulative redeemable preference shares, redeemable on 31 March 2021, paying a preferential dividend of 7.1% per annum, payable quarterly on the issue price of £1.

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Conversion of 7.1% Cumulative Redeemable Preference Shares 2021

Agreement with Brian Jones, proposed corporate transaction and change of strategy

On 18 June 2020, the Company entered into a framework agreement with Brian Jones under which he provided £30,000 of funding through Loan Notes and, subject to the Preference Conversion being effected, was to provide a further £20,000 of funding and acquire a 29.90% shareholding in the Enlarged Share Capital of the Company following the Loan Conversion and the Preference Conversion. Brian Jones was appointed as Non-Executive Chairman of the Company on 10 August 2020.

In August 2020 the Company issued a notice to all shareholders of its intention to convene both a General meeting of Shareholders and a Special Class Meeting of Preference Shareholders to consider proposals to convert the existing Preference shares into Ordinary Shares.

The Proposals comprised a subdivision of the Existing Ordinary Shares, the conversion of all the Preference Shares into Ordinary Shares, and the final stage of an investment of £50,000 into the Company in return for a holding of 29.90% of the Enlarged Share Capital following the Proposals.

The proposals concerning the proposed corporate transaction and the shift in investment strategy were both passed in September 2020. As such, the proposed conversion of 7.1% Cumulative Redeemable Preference Shares 2021, the proposed subdivision of the ordinary shares of 0.01p each, and the proposed subscription of £20,000 by Brian Jones were all completed on 29 September 2020.

On conversion of his loan Brian Jones received 1,159,120,858 Ordinary shares of 0.002 p each the nominal value of which was £23,182 with the balance of the monies totalling £26,818 transferred to a share premium account.

The transaction to convert existing preference shares into Ordinary shares required the creation of two classes of Deferred shares A and B.

Following the implementation of the Proposals, the Company's Enlarged Ordinary Share Capital was to be as follows:

Existing Ordinary Shareholders	710,082,349 shares	- 18.32%
Preference Shareholders	2,007,455,180 shares	- 51.78%
Brian Jones	1,159,120,858 shares	- 29.90%
TOTAL	3,876,658,387 shares	- 100.00%

On the 26 September 2020 at a Special Class of Shareholders, following on from a General Meeting of ordinary shareholders, resolutions were approved to convert the preference shares into ordinary shares. Further details are set out in note 19 of these accounts.

18. Trade and other payables

	2020	2019
	£	£
Trade payables	117,125	88,594
Accrued expenses and other payables	118,110	295,489
	<u>235,235</u>	<u>384,083</u>

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19. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
3,876,658,387 Ordinary Shares of 0.002p each	77,533	71,008
710,082,349 A Deferred Shares of 0.008p each	56,807	-
4,604,255 B Deferred Shares of 9.128p each	420,276	-
	<u>554,616</u>	<u>71,008</u>

On 26 September the share capital was reorganised through the sub division of the existing Ordinary Shares and Preference Shares with the preference shares then being converted into Ordinary Shares. Each existing Ordinary Share of 0.01p was sub-divided into one Ordinary Share of 0.002p and one A Deferred Share of 0.008p. Each existing Preference Share of 10p was sub-divided into four hundred and thirty six Ordinary Shares of 0.002p and one A Deferred Share of 9.128p. Following this subdivision on 26 September the Company issued 1,159,120,858 Ordinary shares for £50,000 resulting in a Share Premium of £26,818.

Ordinary:

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

Deferred:

The holders of Deferred Shares, both A and B, 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 respect of each Ordinary Share held by them.

20. Reserves

Share capital: represents amounts subscribed for shares at nominal value.

Share premium: represents amounts subscribed for share capital, net of issue costs, in excess of nominal value

Retained earnings: represents the accumulated profits and losses attributable to equity shareholders.

21. Related party transactions

During the year, the Company entered into a framework agreement with Brian Jones (a Director of the company during the year but not as at date of this report) under which he provided £30,000 of funding in the form of convertible loan notes and, subject to the conversion of the preference shares then in issue to ordinary shares, was to provide a further £20,000 of funding which would result in him holding 29.90% of the ordinary shares capital of the company following the conversion of both the loan notes and the preference shares. This was completed on 29 September 2020.

During the year Mr Walker, a director of the Company, invoiced consultancy fees of £26,429 (2019: £31,747). Of which £20,596 remained unpaid at the year end.

Mr Walker was a director of Yboo Limited, an investee of the Company. He resigned as director on 7 February 2020.

Mr Walker was a director of Wallet Ads Limited, an investee of the Company. He resigned as director on 14 February 2020.

Mr Walker was a director of Just Bee Drinks Limited, an investee of the Company.

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

As at 31 December 2020, Mr Hillen was due £18,700 (2019 – £5,000) from the Company in respect of accrued director fees.

As at 31 December 2020, Mr Walker was due £18,300 (2019 – £8,000) from the Company in respect of accrued director fees and contractual pension contributions.

As at 31 December 2020, Mr Jones was due £10,000 (2019 – n/a) from the Company in respect of accrued director fees.

22. Directors' emoluments

Directors emoluments for the year are as follows:

	Fees £	Other benefits £	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Kenneth Hillen	30,000	-	30,000	30,000
Richard Walker	48,000	-	48,000	32,000
Brian Jones	10,000	-	10,000	-
Total	<u>88,000</u>	-	<u>88,000</u>	62,000

23. Share options and warrants

The company has a share option scheme under which options to subscribe for the company's shares are granted to the directors and other persons. The options are exercisable at 0.35p per share for up to 10 years from the date of grant and the options vest and are exercisable in equal tranches from 1 February 2015, 1 February 2016 and 1 February 2017. Of the share options issued 39,750,000 are outstanding at the year end (2019: 39,750,000). At the year end 39,750,000 share options are exercisable (2019: 39,750,000). No fair value adjustment has been included in the financial statements as the fair value calculation was immaterial at the date of issue.

The warrants were granted in favour of Investors in the Preference Shares (these were converted into Ordinary shares at a General Meeting in September 2020 see note 17) to subscribe for Ordinary Shares an amount equal to up to 25% of the amount subscribed by the Investor for their Preference Shares. The Warrants were exercisable until 31 March 2021 and lapsed on the conversion at the General Meetings on 26 September 2020. During the year a total of nil (2019: nil) warrants were issued.

The weighted average remaining contractual life of outstanding share options which expire on 31 January 2024 is 3.09 years (2019: 4.09 years).

24. Ultimate controlling entity

There was no single controlling party as at 31 December 2020 or 31 December 2019.

25. Financial instruments

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

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Financial assets by category:	2020 £	2019 £
<u>Current assets:</u>		
Assets held at Amortised cost		
Trade and other receivables	115,784	208,881
Cash and cash equivalents	7,812	56
Assets held at fair value		
Investments	15,113	154,014
Short term investments	48,201	28,553
	<u>186,910</u>	<u>391,504</u>
Financial liabilities by category:	2020 £	2019 £
<u>Liabilities held at Amortised cost:</u>		
Current liabilities		
Trade and other payables	235,235	384,083
Non-current liabilities		
Loans and borrowings	50,000	3,907,208
	<u>285,235</u>	<u>4,291,291</u>

26. Events after the end of the reporting period

On 26 April 2021 the Company raised gross proceeds, before expenses of, £42,000 through the issue of 1,627,496,948 new ordinary shares of £0.002. The placing was conducted at a price of, £0.00258065 per share. The participants to the placing along with an additional party (together “the Investors”) are also advancing £90,000 in the form of a Convertible Loan Facility (“CLF”) that will ensure the Company has sufficient working capital until such a point that it can access further capital. The CLF shall bear no interest, be convertible at the placing price announced today (£0.00258065) and shall only be convertible such that upon conversion, the combined holdings of the Investors do not exceed 29.9% of the issued ordinary share capital.

The proceeds from this placement will be used for general working capital purposes. It is anticipated that the Company will raise further capital in line with the communication of a revised corporate strategy.

Following the issue of the new ordinary shares, the Company’s issued ordinary share capital consists of 5,504,155,335 ordinary shares of 0.002 pence each. This number represents the total voting rights in the Company which may be used by shareholders as the denominator for the calculation by which they can determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority’s (“FCA”) Disclosure & Transparency Rules. The Placing Shares shall rank pari passu in all respects with the existing ordinary shares of the company.

General Meeting: 28 June 2021

At a General Meeting convened by the company, the shareholders approved proposals and resolutions to effect the following:

- Brokered Financing raising gross proceeds before expenses of, £2,000,500
- Consolidation and Sub Division of the Share Capital
- Appointment of three Directors to the Board of Igraine PLC
- Change of name to Igraine PLC
- Change of TDIM, to AQSE: KING
- Grant of Co-Investment Rights with Excalibur Healthcare Services
- Investment position of 2% purchased in EML
- New Investment Strategy: MedTech, Healthcare & Life Sciences Industries

All resolutions at the General Meeting were duly passed by the shareholders of the company.

IGRAINE PLC (Formerly ANGELFISH INVESTMENTS PLC)

FOR THE YEAR ENDED 31 DECEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

Consolidation & Sub-Division

On the 28 June 2021, the shareholders of Igraine plc approved a Consolidation & Sub-Division of the Company's share capital:

- (a) The Ordinary Shares of £0.00002 will be consolidated into new ordinary shares of £0.02 pence each on the basis of one New Ordinary Share for every 1,000 ordinary shares of £0.00002 each.
- (b) Each existing Ordinary Share with a par value of £0.02 will then be subdivided into:

- (i) One ordinary share of £0.00002 each; and
- (ii) One deferred share of £0.01998 each

Brokered Financing & Allotment

On 28 June 2021, the shareholders of Igraine plc approved a brokered placing, conducted by the company's broker, Peterhouse Capital resulting in the following allotment that on a consolidated basis resulted in:

- The allotment of, 77,519,230 (Post-Consolidated) new ordinary shares at a post-consolidated subscription price of £0.025807
- Post-Financing and Consolidation the resulting and enlarged share capital of the company is, 83,023,385

Please refer to Post Year End Review, for further detail.

COVID-19

The COVID-19 virus is a global situation which arose during the period, the assessment of this situation will need continued attention and continues to evolve. The rapid development and fluidity of the COVID-19 virus has made it difficult to predict the ultimate impact at this stage. In line with most experts, we believe that the impact of the virus outbreak will continue to be material on the general economy.

As at 31 December 2020, the impact COVID-19 virus has certainly had an effect on some of the Company's investments and the Directors continue to assess the extent of this. The Board having reviewed the impact of this pandemic during the year and have made provisions against were considered appropriate against the asset values at the year end. There is an continuing potential impact of the COVID-19 virus on the ongoing trade and performance of the Company.

Management will continue to regularly assess the impact of COVID-19 on the Company, however, given the fluidity and significant volatility of the situation, it is not possible to quantify any further impact at this stage. See the Principal risks and uncertainties subheading of the Directors report for further details of the impact COVID-19 has had and may have in the future.