

**Strategic Report, Report of the Directors and Financial
Statements for the Year Ended 31 December 2022 for
Igraine Plc**

Igraine Plc (Registered number: 06400833)

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for the year ended 31 December 2022**

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Igraine Plc

Company Information for the year ended 31 December 2022

DIRECTORS:

Mr S R Grant-Rennick
Mr S D Winfield
Mr B Singh Tennent-Bhoji (resigned 18 July 2022)
Mr M C Walton (resigned 18 July 2022)
Mr R Walker (resigned 18 July 2022)
Mr C T Evans (resigned 18 July 2022)

REGISTERED OFFICE:

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

REGISTERED NUMBER:

06400833 (England and Wales)

AUDITOR:

Edwards Veeder (UK) Limited
Ground Floor
4 Broadgate
Broadway Business Park,
Chadderton
Greater Manchester
OL9 9XA

Igraine Plc (Registered number: 06400833)

Strategic Report for the year ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

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

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

REVIEW OF BUSINESS

The Directors have been successful in their efforts to minimise the operating costs of the company, whilst investment mature.

In July 2022 Sir Professor Christopher Evans, Martin Walton, Burns Singh Tennent-Bhoji and Richard Walker all stepped down as Directors of the Company. The company appreciates all the efforts of the directors who stepped down, especially Burns Singh Tennent-Bhoji who restructured the company in April 2021 and led the recapitalisation of the company in June 2021.

The Company maintains a truly exceptional working relationship with Sir Professor Christopher Evans and Martin Walton. Despite their transition from the board of directors, our partnership remains strong and continues to flourish. Their extensive experience, valuable guidance, and unwavering dedication have made an indelible impact on the Company. We are grateful for their ongoing support.

INVESTEE COMPANY UPDATES

Excalibur Medicines Limited

Excalibur Medicines Limited ("EML") a subsidiary of Excalibur Healthcare Services Ltd. EML has secured exclusive rights to and owns the patents on a drug, AZD1656, which is being developed as a potential therapeutic for diabetics.

Igraine maintains a 2% equity interest in EML and has the rights to co-invest in all healthcare and life-science investment opportunities sourced or invested into by Excalibur Healthcare Services.

In August 2022, EML announced the publication in Lancet eClinicalMedicine of the Phase 2 clinical trial, ARCADIA, which investigated AZD1656 for people with diabetes hospitalised with COVID19.

Patients in the AZD1656 arm were observed to have lower mortality; additionally, AZD1656 was shown to have immunomodulatory capability, as predicted. The paper also details our sub-group analysis of patients considered to be at higher risk of worse COVID-19 outcomes, either with elevated IL-6 or those with low Vitamin D status.

The EML management team have continued to work on their own and through their network including with the clinical charity, St George Street (SGS) in seeking commercial opportunities or interest in taking the development of asset AZD1656 following the phase II clinical trial. EML has also begun to pursue additional potential opportunities where the asset could be tested in other non-respiratory indications. The mechanism of action of AZD 1656 was well observed during the trial and its anti-inflammatory effects and T-Reg mobilisation to the point of disease suggests that it could be effective in other areas or organs such as the heart.

As summarised in the paper: "the evidence presented here suggests that specific activation of T-reg's might suppress the inappropriate inflammation which is the prime cause of tissue damage in autoimmune disease."

Oscillate Plc

During the year the company purchased 21,475,000 shares in Oscillate Plc, representing approximately 10.2% of Oscillate's issued share capital. Oscillate Plc is an investment issuer listed on the AQSE Growth Market Exchange seeking investment in the medical cannabis sector, special situations and investments in the medical psychedelic industry. In June 2022, the Oscillate invested a further £350,000 in Psych Capital and Psych Capital listed on the AQSE Exchange, at a significantly increased value per share to the initial total investment, resulting in a profit before tax for the Company of £572,366. As at year end Oscillate Plc's cash position was £1,230,961.

Igraine Plc (Registered number: 06400833)

Strategic Report for the year ended 31 December 2022

Legacy Investment

Following the considerable work associated with the restructure of Igraine, the Board completed an evaluation of the investment interests acquired prior to April 2021, including holding meetings with certain board members of the investees. Upon completing this review, the Board of Directors have deemed them in majority as non-core to the Company in both present material value and in contrast the Company's revised investment strategy.

During the Financial Year, The Company exited its position in Just Bee Honey Limited ("Just Bee"). Just Bee is a private retail business selling high quality honey products that have a positive impact on bees. The company sold 1,840,000 shares (9.14%) in Just Bee Ltd for a total consideration of £26,680.00.

To the year ending 31 December 2021, the Board of Directors wrote off the value of the loan receivable by a legacy investee, ASSIF Limited ("ASSIF"), whilst the Board remain in contact with this investee the Board were unsatisfied when assessing the realistic recoverability of monies lent to this investee further compounded by ASSIF making no attempt to repay all sums owing to date.

POST-YEAR END REVIEW

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

In February 2023, the Company invested £100,000 into Fixit Medical Ltd ("Fixit"). Fixit, a research and experimental development company focused on social sciences and humanities, is the sole owner, designer and developer of Cingo® ("Cingo"), the next drainage catheter fixation device.

Cingo features best in class catheter fixation through a pull-force dissipating design and an estimated two-week wear time. Cingo also boasts a revolutionary design that protects catheters from twisting and kinking, providing easy access to the catheter exit site for improved visibility and cleaning, and includes a breakthrough integral shower-safe feature. Fixit CEO and Inventor of Cingo, Dr. Robert Ward, MB BS FRCS FRCR, is a specialist in vascular and interventional radiology and has developed the most advanced and patient-centric drainage catheter fixation device available today. Igraine hold 434 ordinary shares in Fixit representing 20 per cent of Fixit's share capital.

Executive Director, Steve Winfield, owns approximately 46% of Larvotto Group Limited. Larvotto Group Limited itself will have a resulting holding of approximately 34% of Fixit and acts as an unpaid operational partner and investor of Fixit Medical Ltd.

PRINCIPAL RISKS AND UNCERTAINTIES

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

Funding

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

Investment Performance

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

Inability of an Investee to Fund Operations Post-Investment

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

Igraine Plc (Registered number: 06400833)

Strategic Report for the year ended 31 December 2022

SECTION 172(1) STATEMENT

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

Duty to promote the success of the company

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

Section 172 Statement

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

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

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

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

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

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

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

ON BEHALF OF THE BOARD:



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

Date: 28 June 2023

Igraine Plc (Registered number: 06400833)

Report of the Directors for the year ended 31 December 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

REVIEW OF BUSINESS

Review of Business is included within the Strategic Report on Page 2.

EVENTS SINCE THE END OF THE YEAR

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

The company entered into invested £100,000 into Fixit Medical Ltd. Fixit, a research and experimental development company focused on social sciences and humanities, is the sole owner, designer and developer of Cingo®, the next drainage catheter fixation device.

The company is in the process of instructing legal professionals to recover value from legacy investments entered into by previous management.

DIVIDENDS

The Directors do not propose a dividend in respect of the year ended 31 December 2022 (2021: £nil).

DIRECTORS

Mr S D Winfield and Mr S R Grant-Rennick held office during the whole of the period from 1 January 2022 to the date of this report.

Other changes in directors holding office are as follows:

Mr C T Evans – resigned 18 July 2022

Mr B Singh Tennent-Bhoji – resigned 18 July 2022

Mr M C Walton – resigned 18 July 2022

Mr R Walker – resigned 18 July 2022

Directors emoluments for the year are as follows:

	2022	2021
	Salary/Fees	Salary/Fees
	£	£
K Hillen (resigned 26 April 2021)	-	10,000
R Walker (resigned 18 July 2022)	17,000	4,695
B Jones (resigned 26 April 2021)	-	10,700
S Grant-Rennick	36,000	52,000
B Singh Tennent-Bhoji (resigned 18 July 2022)	-	49,000
M Walton (resigned 18 July 2022)	-	20,000
S Winfield	23,000	20,000
	76,000	166,395

The directors' fees above do not include compensation for loss of office. During the year, compensation for loss of office was paid to R Walker (£30,000) and B Singh Tennent-Bhoji (£25,000). No such payments were made in the prior year.

DIRECTORS' INTERESTS

Director	Number of Shares	As a % of the Issued share
S R Grant-Rennick	5,076,240	5.87%
B Singh Tennent-Bhoji (resigned 18 July 2022)	3,913,742	4.52%

Igraine Plc (Registered number: 06400833)

Report of the Directors for the year ended 31 December 2022

No options were issued to the directors in the current year. The following options were issued to the directors in the prior year:

Share Options:

Director	No. of Options	Exercise Price
C T Evans (resigned 18 July 2022)	4,500,000	£0.05
S D Winfield	4,500,000	£0.05
M C Walton (resigned 18 July 2022)	4,500,000	£0.05
S R Grant-Rennick	2,250,000	£0.05
B Singh Tennent-Bhoji (resigned 18 July 2022)	2,250,000	£0.05

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each director in office at the date of approval of this Directors' report confirms that:

- So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Edwards Veeder (UK) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Igraine Plc (Registered number: 06400833)

**Report of the Directors
for the year ended 31 December 2022**

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

ON BEHALF OF THE BOARD:



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

Date: 28 June 2023

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IGRAINE PLC
For the year ended 31 December 2022**

Opinion

We have audited the financial statements of Igraine Plc (the 'company') for the year ended 31 December 2022 which comprise Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, Notes to the Statement of Cash Flows and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

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

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

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

Our application of materiality

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

Overall materiality was set at £26,000 (2021: £25,000) based on 2% of gross assets (2021: based on 4% of net assets). Adjusted profit before tax was no longer an appropriate benchmark due to the changes in the group strategy (investment focused). Net assets was used as the basis of materiality as the company is not yet revenue generating and based on our professional judgement, it is the principal benchmark within which the financial statements are relevant to members of the company.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IGRAINE PLC
For the year ended 31 December 2022

We have agreed with those charged with governance that we would report all audit differences in excess of £2,000 (2021: £1,250) as well as differences below these thresholds that we believe warranted reporting on qualitative grounds.

Our approach to the audit

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

Key audit matters

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

Key Audit Matter	How our scope addressed this matter
Valuation and disclosure of investments (see note 9)	
<p>The company holds unlisted investments amounting to £761,063 (2021: £615,113) measured at fair value through profit and loss.</p> <p>There is a risk that unlisted investments have not been measured correctly at fair value in line with the requirements of IFRS 9.</p> <p>The fair valuation assessment on unlisted investments is subjective and involves significant estimates and judgements. The absence of reliable historical information, in relation to investments in start-up companies, makes the fair valuation assessment judgmental. There is therefore a risk that the value of the unlisted investments is materially misstated.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none">▪ Reviewing, assessing and challenging management's valuation of the unlisted investment and assessments and substantiating with supporting evidence where available.▪ Reviewing and challenging management's assessment of potential impairment and ensuring sufficient evidence was obtained.▪ Ensuring that appropriate disclosures surrounding any estimates and judgements are made regarding their valuation.▪ Performing a reconciliation of the investment holdings and checking the correct classification of these and the fair value hierarchy disclosure is as per the requirements of IFRS 9.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IGRAINE PLC
For the year ended 31 December 2022**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IGRAINE PLC
For the year ended 31 December 2022

through discussions with management, industry research, application of cumulative audit knowledge and experience in the investment sector.

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

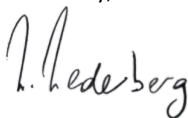
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed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

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

Use of our report

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

Lee Lederberg (Senior Statutory Auditor)
For and on behalf of Edwards Veeder (UK) Limited
Statutory Auditor



28 June 2023

Ground Floor
4 Broadgate
Broadway Business Park
Chadderton
Greater Manchester
OL9 9XA

Igraine Plc (Registered number: 06400833)**Statement of Profit or Loss
for the year ended 31 December 2022**

	Notes	2022 £	2021 £
CONTINUING OPERATIONS			
Other operating income		-	19,824
Loss on revaluation of investments	9 and 11	(107,375)	(12,798)
Administrative expenses		(241,315)	(407,615)
		<u>(348,690)</u>	<u>(400,589)</u>
OPERATING LOSS			
Impairment of loans and trade receivables	4	-	(93,405)
Interest Income		3,329	-
		<u>3,329</u>	<u>-</u>
LOSS BEFORE INCOME TAX			
	5	(345,361)	(493,994)
Income tax	6	-	-
		<u>-</u>	<u>-</u>
LOSS FOR THE YEAR			
		<u>(345,361)</u>	<u>(493,994)</u>
Earnings per share expressed in pence per share:			
Basic	7	-0.004	-0.01
Diluted		-0.003	-0.008

The notes on pages 18 to 37 form part of these financial statements.

Igraine Plc (Registered number: 06400833)

**Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2022**

	2022 £	2021 £
LOSS FOR THE YEAR	(345,361)	(493,994)
Other comprehensive income	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>(345,361)</u></u>	<u><u>(493,994)</u></u>

The notes on pages 18 to 37 form part of these financial statements.

Igraine Plc (Registered number: 06400833)

**Statement of Financial Position
As at 31 December 2022**

	Notes	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	-	-
Investments	9	<u>761,063</u>	<u>615,113</u>
		761,063	615,113
CURRENT ASSETS			
Trade and other receivables	10	134,637	154,067
Investments	11	-	7,205
Cash and cash equivalents	12	<u>388,412</u>	<u>904,129</u>
		523,049	1,065,401
TOTAL ASSETS		<u>1,284,112</u>	<u>1,680,514</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital		588,786	588,786
Share premium		1,946,995	1,946,995
Other reserves		46,116	46,116
Retained earnings		<u>(1,518,066)</u>	<u>(1,172,705)</u>
TOTAL EQUITY		<u>1,063,831</u>	<u>1,409,192</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	<u>29,922</u>	<u>38,464</u>
CURRENT LIABILITIES			
Interest bearing loans and borrowings		9,768	10,649
Trade and other payables		<u>180,591</u>	<u>222,209</u>
TOTAL LIABILITIES		<u>220,281</u>	<u>271,322</u>
TOTAL EQUITY AND LIABILITIES		<u>1,284,112</u>	<u>1,680,514</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2023 and were signed on its behalf by:



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

The notes on pages 18 to 37 form part of these financial statements.

**Statement of Changes in Equity
for the year ended 31 December 2022**

	Called up share capital	Share premium	Other reserves	Retained earnings	Total equity
	£	£	£	£	£
Balance at 1 January 2021	554,616	26,818	-	(678,711)	(97,277)
Changes in equity					
Deficit for the year	-	-	-	(493,994)	(493,994)
Warrant and Option charge	-	-	46,116	-	46,116
Total comprehensive income	-	-	46,116	(493,994)	(447,878)
Transaction cost	-	(178,153)	-	-	(178,153)
Issue of share capital	34,170	2,098,330	-	-	2,132,500
Balance at 31 December 2021	<u>588,786</u>	<u>1,946,995</u>	<u>46,116</u>	<u>(1,172,705)</u>	<u>1,409,192</u>
Changes in equity					
Deficit for the year	-	-	-	(345,361)	(345,361)
Balance at 31 December 2022	<u>588,786</u>	<u>1,946,995</u>	<u>46,116</u>	<u>(1,518,066)</u>	<u>1,063,831</u>

The Company's reserves are as follows:

- The share premium represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.
- Other reserves arise from the requirement to value share options and warrants in existence at the grant date (see Note 20).
- Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

Igraine Plc (Registered number: 06400833)**Statement of Cash Flows
for the year ended 31 December 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(276,575)</u>	<u>(498,688)</u>
Net cash from operating activities		<u>(276,575)</u>	<u>(498,688)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(268,437)	(600,000)
Sale of fixed asset investments		<u>38,716</u>	<u>13,431</u>
Net cash from investing activities		<u>(229,721)</u>	(586,569)
Cash flows from financing activities			
Loan repayments in year		(9,421)	(887)
Share issue (net of share issue costs)		<u>-</u>	<u>1,982,462</u>
Net cash from financing activities		<u>(9,421)</u>	<u>(1,981,575)</u>
		<u>(515,717)</u>	<u>896,318</u>
(Decrease)/increase in cash and cash equivalents		(515,717)	896,318
Cash and cash equivalents at beginning of year	2	<u>904,129</u>	<u>7,811</u>
Cash and cash equivalents at end of year	2	<u><u>388,412</u></u>	<u><u>904,129</u></u>

Igraine Plc (Registered number: 06400833)

Notes to the Statement of Cash Flows for the year ended 31 December 2022

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

	2022	2021
	£	£
Loss before income tax	(345,363)	(493,994)
(Profit)/Loss on disposal of fixed assets	(16,398)	14,770
Loss on fair value movement of fixed assets	107,375	12,798
Depreciation charges	-	1,048
Impairment of loans and other receivables	-	93,405
Share based payment charge	-	18,000
	<hr/>	<hr/>
	(254,386)	(353,973)
Decrease/(increase) in trade and other receivables	18,262	(131,688)
Decrease in trade and other payables	(40,451)	(13,027)
	<hr/>	<hr/>
Cash generated from operations	(276,575)	(498,688)

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2022

	31/12/22	01/01/22
	£	£
Cash and cash equivalents	388,412	904,129

Year ended 31 December 2021

	31/12/21	01/01/21
	£	£
Cash and cash equivalents	904,129	7,811

Igraine Plc (Registered number: 06400833)

Notes to the Financial Statements for the year ended 31 December 2022

1. STATUTORY INFORMATION

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

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

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for certain financial instruments that have been measured at fair value.

Statement of compliance

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

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

Basis of measurement

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

Going concern

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

The Company as at 31 December 2022 had cash and cash equivalents balance of £388,412 (2021: £904,129)

The Directors report that they have assessed the principal risks, reviewed current performance and projections, combined with expenditure commitments, including capital expenditure. The Company's projections demonstrate it will have sufficient cash reserves to enable it to meet its obligations as they fall due, for a period of at least 12 months from the date of signing of these financial statements. Accordingly, the Directors consider the Company to be a going concern.

The Company has prepared monthly cash flow projections based on estimates of key variables to expenditure through to June 2024 that supports the conclusion of the Directors that they expect sufficient funding to be available to meet the Company's anticipated cash flow requirements to this date.

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.

**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

i) Recoverable value of trade and loan receivables

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

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

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

ii) Fair value of the investments

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

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

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

iii) Share-based payment transactions

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

Igraine Plc (Registered number: 06400833)

Notes to the Financial Statements - continued for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued

New and amended standards and Interpretations

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022:

	Effective date - Annual periods beginning on or after:	Expected Impact
Amendment to IFRS 3 – References to the Conceptual Framework updated	1 January 2022	No
Amendments to IAS 16 – Proceeds before intended use	1 January 2022	No
Amendments to IAS 37 – Onerous Contracts	1 January 2022	No
Annual improvements to IFRS Standards 2018-2020 cycle – IFRS 1, IFRS9, IFRS 16 and IAS41	1 January 2022	No

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2023:

	Effective date - Annual periods beginning on or after:	Expected Impact
Amendments to IFRS 4 – Expiry date of the deferral approach	1 January 2023	No
Initial application of IFRS 17 - Insurance contracts	1 January 2023	No
Amendments to IFRS 17 – Comparative information for initial application	1 January 2023	No
Amendments to IAS 8 – Definition of accounting estimates	1 January 2023	No
Amendments to IAS 1 – Disclosure of accounting policies	1 January 2023	Yes
Amendments to IAS 12 – Deferred tax assets and liabilities arising from a single transaction	1 January 2023	No
Amendments to IAS 1 – Classification of liabilities as current or non-current with covenants	1 January 2024	No
Amendments to IFRS 16 – Lease liability in a sale and leaseback	1 January 2024	No

Summary of significant accounting policies

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

Igraine Plc (Registered number: 06400833)

Notes to the Financial Statements - continued for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

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

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

- Computer equipment - 2 years

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

**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

Financial assets

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

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

Financial Assets - Impairment

(i) Non-derivative financial assets

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

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

Financial assets measured at amortised cost

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

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

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

**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

(ii) Non-financial assets

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

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

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

Trade and other payables

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

Investments

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

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

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

**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

Fair value measurements

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

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

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

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

These are described as follows:

Level 1 – Quoted market prices

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

Level 2 – Valuation Techniques using observable inputs

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

Level 3 – Valuation techniques using significant unobservable inputs

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

Non-derivative financial liabilities

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

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

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

Other financial liabilities comprise trade and other payables.

Taxation

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

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

Igraine Plc (Registered number: 06400833)

Notes to the Financial Statements - continued for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

Employee benefit costs

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

Segmental reporting

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

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

Grants

Grant income is recognised using the accruals model. The grant is recognised as income over the periods when the related costs are incurred. Grant income during the year included within other operating income amounted to £nil (2021: £19,824). Grant income recognised in the prior year related to furlough claims.

Interest Income

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

Expenses

All expenses are accounted for on an accruals basis.

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.

Igraine Plc (Registered number: 06400833)

Notes to the Financial Statements - continued for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Liquidity risk

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

Share-based payments

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

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

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

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

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

Equity instruments including share capital

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

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

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

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

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

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

Igraine Plc (Registered number: 06400833)

**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

3. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries (including directors)	-	24,134
Social security costs	-	2,057
Other pension costs	-	85
	<u>-</u>	<u>85</u>
		<u>26,276</u>

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

2022	2021
<u>4</u>	<u>5</u>

	2022	2021
Directors' remuneration and fees	<u>76,000</u>	<u>166,395</u>

The directors' remuneration and fees stated above does not include compensation for loss of office amounting to £55,000 (2021: £nil).

Igraine Plc (Registered number: 06400833)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****4. NET FINANCE INCOME**

	2022	2021
	£	£
Finance income:		
Interest receivable	<u>3,329</u>	<u>-</u>
	<u>3,329</u>	<u>-</u>

	2022	2021
	£	£
Finance costs:		
Interest payable	<u>1,226</u>	<u>-</u>
	<u>1,226</u>	<u>-</u>
Net finance income	<u>2,103</u>	<u>-</u>

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging:

	2022	2021
	£	£
Depreciation – owned assets	-	1,048
(Profit)/Loss on disposal of fixed investment assets	(16,398)	14,770
Auditors' remuneration	20,420	22,000
Loan write-off	<u>-</u>	<u>93,405</u>

Igraine Plc (Registered number: 06400833)

Notes to the Financial Statements - continued for the year ended 31 December 2022

6. INCOME TAX

Analysis of tax expense

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

	2022 £	2021 £
Loss before income tax	<u>(345,361)</u>	<u>(493,994)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(65,619)	(93,859)
Effects of:		
Adjustment of preference shares	-	-
Preference dividends paid	-	-
Income not chargeable	-	-
Loss during the year carried forward	43,612	90,980
Expenses not deductible for tax purposes	1,606	447
Fair value loss	<u>20,401</u>	<u>2,432</u>
Tax expense	<u>-</u>	<u>-</u>

As part of the UK Budget 2021 on 3 March 2021, the government announced an increase in the Corporation Tax main rate from 19% to 25% for companies with profits over £250,000 together with the introduction of a small profits rate of 19% with effect from 1 April 2023. The small profits rate will apply to companies with profits of not more than £50,000, with marginal relief available for profits up to £250,000.

As at 31 December 2022, the Company had losses of £1,299,655 (2021: £933,427) to carry forward. No deferred tax asset has been recognised as recovery of tax losses is not considered probable.

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. The weighted average number of shares outstanding for 2022 was 86,510,811 (2021: 46,267,028).

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares. The weighted average number of shares, including dilutive instruments, outstanding for 2022 was 106,673,583 (2021: 58,726,079).

Reconciliations are set out below.

	Earning £	Weighted average number of shares	Per-share amount £
Year ended 31 December 2022			
Basic EPS			
Earnings attributable to ordinary shareholders	(345,361)	86,510,811	(0.004)
Effect of Dilutive securities			
Options and warrants		20,162,772	
Diluted EPS			
Adjusted earnings	(345,361)	106,673,583	(0.003)

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Notes to the Financial Statements - continued for the year ended 31 December 2022

7. EARNINGS PER SHARE - continued

Deferred shares have no participation in distribution of capital, except for in the event of winding up, once the holders of Ordinary shares have received £1,000,000 in respect of each Ordinary share held by them. Therefore, these shares have not been included on either the basic EPS or diluted EPS calculations.

	Earnings	Weighted average number of shares	Per-share amount
Year ended 31 December 2021	£		£
Basic EPS			
Earnings attributable to ordinary shareholders	(493,994)	46,267,028	(0.01)
Effect of Dilutive securities			
Options and warrants		12,459,051	
Diluted EPS			
Adjusted earnings	(493,994)	58,726,079	(0.008)

8. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment
	£
COST	
At 1 January 2022	2,418
Disposals	<u>(2,418)</u>
At 31 December 2022	-
DEPRECIATION	
At 1 January 2022	2,418
Elimination on disposal	<u>(2,418)</u>
At 31 December 2022	-
NET BOOK VALUE	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

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**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

9. INVESTMENTS

	Listed investments	Unlisted investments	Total
	£	£	£
FAIR VALUE AMOUNT			
At 1 January 2022	-	615,113	615,113
Additions	268,437	-	268,437
Disposals	-	(15,113)	(15,113)
Fair value movement	(107,374)	-	(107,374)
On 31 December 2022	<u>161,063</u>	<u>600,000</u>	<u>761,063</u>
NET BOOK VALUE			
At 31 December 2022	<u>161,063</u>	<u>600,000</u>	<u>761,063</u>
At 31 December 2021	<u>-</u>	<u>615,113</u>	<u>615,113</u>

All unlisted investments held at the year end were held at fair value using Level 3 of the Fair value hierarchy.

Unlisted investments as at 31 December 2022 comprised of Excalibur Medicines Ltd. The valuation of Excalibur Medicines Ltd (£600,000) is based on initial costs which approximate the fair value. At year end, the share price of Excalibur Medicines Ltd could not be reliably measured, and as such are held at cost less impairment. There were no impairment indicators noted. Detailed review of the investment and the progress has been included in the Strategic Report.

All listed investments held as at 31 December 2022 were held at fair value using Level 1 of the Fair value hierarchy.

Listed investments as at 31 December 2022 comprised of Oscillate Plc. The valuation of Oscillate Plc (£161,063) is based on the share price at the year end. The shares of Oscillate Plc were suspended from trading on 18 November 2022 as a result of a proposed reverse takeover. The suspension was lifted on 22 May 2023, following the termination of the reverse takeover.

10. TRADE AND OTHER RECEIVABLES

	2022	2021
	£	£
Current:		
Trade debtors	-	-
Other debtors	77,023	150,522
Other loan	53,329	-
VAT	-	1,169
Prepayments and accrued income	4,285	2,376
	<u>134,637</u>	<u>154,067</u>

The IFRS 9 expected credit loss impairment recognised in respect of trade receivables in the year was £nil (2021: £18,900).

The IFRS 9 expected credit loss impairment recognised in respect of short-term loan receivables in the year was £nil (2021: £74,505).

The total credit loss recognised in the Statement of Comprehensive Income is £nil (2021: £93,405).

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**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

11. INVESTMENTS

	2022	2021
	£	£
Short term investment	<u>-</u>	<u>7,205</u>

Short Term Investments

	2022	2021
	£	£
Fair value at 1 January	7,205	48,201
Additions	-	-
Disposal	(7,205)	(28,198)
Fair value movement on investments	<u>-</u>	<u>(12,798)</u>
Fair value at 31 December	<u>-</u>	<u>7,205</u>

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

12. CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Bank accounts	<u>388,412</u>	<u>904,129</u>

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**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

13. **CALLED UP SHARE CAPITAL**

Allotted, called up and fully paid

	2022	2021
86,510,811 Ordinary shares of £0.00002 each	1,730	1,730
710,082,349 A Deferred Shares of £0.008 each	56,807	56,807
4,604,255 B Deferred Shares of £0.09128 each	420,276	420,276
5,504,155 Deferred Shares of £0.01998 each	109,973	109,973
	<u>588,786</u>	<u>588,786</u>

There were no changes to the company's share capital during the year.

Ordinary:

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

Deferred:

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

14. **RESERVES**

	Share premium £	Other reserves £	Retained earnings £	Totals £
At 1 January 2022	1,946,995	46,116	(1,172,705)	820,406
Deficit for the year	-	-	(345,361)	(345,361)
At 31 December 2022	<u>1,946,995</u>	<u>46,116</u>	<u>(1,518,066)</u>	<u>475,045</u>

15. **FINANCIAL LIABILITIES - BORROWINGS**

Non-current portion

	2022	2021
	£	£
Interest bearing loans and borrowings	<u>29,922</u>	<u>38,464</u>

Current portion

	2022	2021
	£	£
Interest bearing loans and borrowings	<u>9,768</u>	<u>10,649</u>

Bank loans and overdrafts is in respect of a Business Bounce Back Loan taken out 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 a period of 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.

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**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

16. TRADE AND OTHER PAYABLES

	2022	2021
	£	£
Current:		
Trade creditors	153,148	150,519
Social security and other taxes	-	1,778
Other creditors	-	24,049
Wages payable	-	-
Pension payable	-	1,293
Accruals and deferred income	<u>27,443</u>	<u>44,550</u>
	<u>180,591</u>	<u>222,209</u>

17. RELATED PARTY DISCLOSURES

At the year end, Mr S Grant-Rennick, a director of the company, owed the company a loan balance of £57,022 (2021: £80,022). The loan is non-interest bearing, unsecured and payable in cash upon demand.

Barnardo Capital Limited, a company controlled by Felix Grant-Rennick, a close member of the family of Mr S Grant-Rennick, invoiced the company for consultancy services totaling £31,770 (2021: £22,683) during the year, of which £1,270 (2021: £383) was reimbursement of expenses.

In the prior year, ex-director of the company, Mr Walker (resigned 18 July 2022), invoiced consultancy fees of £25,520, which was subsequently deemed as not to be payable, and a balance of £27,054 was written off in the prior year. There were no consultancy fees charged to the company by Mr Walker during the year.

Mr Walker was a director of ASSIF limited, an investee of the company.

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

18. EVENTS AFTER THE REPORTING PERIOD

Please refer to the strategic report.

19. ULTIMATE CONTROLLING PARTY

There was no single controlling party as at 31 December 2022 or 31 December 2021.

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Notes to the Financial Statements - continued for the year ended 31 December 2022

20. SHARE OPTIONS AND WARRANTS

The company has a share option scheme under which the options to subscribe for the company's shares are granted to the directors and other persons. The options are exercisable at £0.05p, for a period of 5 years, vesting immediately on award. In the event that all or part of such options are exercised within 5 years from the date of issuance, then the holder shall receive, upon exercise of each option, one new bonus option with an exercise price of £0.10 each, expiring on the 5th anniversary of issue and vesting immediately on award. The weighted average remaining contractual life of the share options outstanding at the end of the period was 3 years and 6 months.

2022	Number	WAEP £
Outstanding at beginning of year	23,427,772	0.05
Issued share options	-	-
Issued warrants	-	-
Number vested and exercisable at 31 December	23,427,772	0.05

Directors Options Issued to the Year End:

	No of Options	Strike Price	Expiry date
Professor Sir Chris Evans (resigned 18 July 2022)	4,500,000	£0.05	June-26
Martin Walton (resigned 18 July 2022)	4,500,000	£0.05	June-26
Steve Winfield	4,500,000	£0.05	June-26
Burns STB (resigned 18 July 2022)	2,250,000	£0.05	June-26
Simon GR	2,250,000	£0.05	June-26
	18,000,000		

During the year, no options were granted to the directors of the company. In the prior year, the company had issued 18,000,000 options to the directors. The assessed fair value at grant date of the warrants during the year ended 31 December 2021 was £0.01. The fair value at grant date was independently determined using the Black- Scholes model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date, expected price volatility of the underlying share, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

Options previously issued to directors who resigned during the year, did not lapse on termination.

The company recognised total expenses of £nil (2021: £18,000) during the year related to share options accounted for as equity-settled share- based payment transactions during the year.

The model inputs for options granted during the year ended 31 December 2021 included:

- Exercise price: £0.05
- Grant date: 30 June 2021
- Expiry date: 30 June 2026
- Share price at grant date: £0.026
- Expected price volatility of the company's shares: 25%
- Risk-free interest rate: 0.80%

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Notes to the Financial Statements - continued for the year ended 31 December 2022

20. SHARE OPTIONS AND WARRANTS - continued

During the year, no warrants were issued by the company. In the prior year, the company issued 2,162,772 warrants. The assessed fair value at grant date of the warrants during the year ended 31 December 2021 was £0.013. The fair value at grant date was independently determined using the Black-Scholes model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date, expected price volatility of the underlying share, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies.

In addition, the company recognised total expenses (netted against share premium) of £nil (2021: 28,116) related to warrants accounted for as equity-settled share-based payments transactions during the year.

The model inputs for warrants granted during the year ended 31 December 2021 included:

- a) Exercise price: £0.0258
- b) Grant date: 28 June 2021
- c) Expiry date: 28 June 2026
- d) Share price at grant date: £0.035
- e) Expected price volatility of the company's shares: 25%
- f) Risk-free interest rate: 0.80%

21. FINANCIAL INSTRUMENTS

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

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

The Company has exposures to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Price risk

The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company has no interest rate derivative financial instruments (2021: none).

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

Financial assets by category:	2022	2021
	£	£
Assets held at amortised cost:		
Other debtors	130,351	150,522
Cash and cash equivalents	388,412	904,129
Assets held at fair value:		
Investments	761,063	622,318
	1,279,826	1,676,969

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**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

21. **FINANCIAL INSTRUMENTS - continued**

Financial liabilities by category:	2022	2021
	£	£
Liabilities held at amortised cost:		
Trade and other payables	<u>192,838</u>	<u>200,746</u>
	192,838	200,746

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

Fair value gains and losses	2022	2021
	£	£
On listed investments measured at fair value through profit and loss account	<u>(107,375)</u>	<u>(12,798)</u>
	(107,375)	(12,798)