



RNS Number : 9878K
Roquefort Therapeutics PLC
11 May 2022

11 May 2022

Roquefort Therapeutics plc
("Roquefort Therapeutics" or the "Company")

Annual Report & Financial Statements for period ended 31 December 2021

Roquefort Therapeutics (LSE:ROQ), the Main Market listed biotech company focused on early-stage opportunities in the medical biotechnology sector, announces its audited results for period ended 31 December 2021.

Copies of the Annual Report and Financial Statements will be posted to shareholders and made available on the Company's website at: <https://www.roquefortplc.com/category/financial-reports/>

Highlights

- Acquisition of Lynamid Pty Limited ("Lynamid") for £1 million (before adjustments), a combination of cash and shares via a Reverse Take Over
- Expert in molecular virology and cancer and a leading global expert on Midkine, Professor Graham Robertson joined Roquefort as Chief Scientific Officer from Lynamid
- Commencement of Lynamid's pre-clinical programme
- Fully funded to deliver drug candidate to clinical trials by H2 2023

Post Period End Highlights

- Lead compounds identified for cancer programme
- Midkine patent filed following positive pe-clinical in vitro trials
- Significantly strengthened the Board with two highly experienced sector NED appointments
- Professor Trevor Jones appointment as advisor to the Board
- Cash at the bank as at 30 April 2022: £2.47 million

Commenting on the Annual Results, Executive Chairman, Stephen West

said: "I am pleased to report the first annual results to shareholders as a biotech company. The Company has made significant progress as a biotech entity which culminated in the acquisition of Lynamid and its pre-clinical drug development programmes in December 2021. We believe Lynamid to be a clear market leader in Midkine inhibiting RNA therapeutic drugs with its exclusive worldwide licence to commercialise up to 37 patents for the treatment of cancer patients, autoimmune disorders, chronic kidney disease and Covid-19.

Since the year-end we have made progress with our pre-clinical programme, and selected our most promising lead drug candidates in cancer. The Company then filed a patent application for a new class of RNA therapeutic drugs targeting Midkine following the highly encouraging pre-clinical data. To help drive the Company forward towards commercialisation, the Board has also been strengthened immensely with the appointments of pharmaceutical industry heavyweights, Simon Sinclair and Jean Duvall as NEDs and Professor Trevor Jones as advisor to the Board.

The Company is fully funded to take our lead drug candidate to clinical trials in H2 2023, and we are optimistic in the therapeutic potential of Midkine in meeting a number of indications of unmet needs in major multi-billion dollar markets. I would like to thank shareholders for their continued support and I look forward to updating them as we progress through the year."

Enquiries:

Roquefort Therapeutics plc

Stephen West (Chairman) +44 (0)20 3290
9339

Buchanan (Public Relations)

Ben Romney / Jamie Hooper / George Beale +44 (0)20 7466

Optiva Securities Limited (Broker) 5000

Christian Dennis +44 (0)20 3411
1881

CHAIRMAN'S STATEMENT

I am pleased to report the audited financial statements to shareholders for the period ended 31 December 2021. During the period the Company has made substantial progress as a London-listed biotechnology company.

Most notably, in December 2021, Roquefort successfully completed a placing of £3 million in order to fund the cash component of the acquisition of Lyramid Pty Limited ("Lyramid"), its pre-clinical drug development programmes and working capital. At the same time the Company completed the acquisition of Lyramid's entire issued share capital, through a combination of £500,000 cash (50%) and the issue of 5,000,000 new ordinary shares (50%). The acquisition constituted as a Reverse Take-Over ("RTO") under the Listing Rules of the FCA and accordingly the Company applied for re-admission of its shares to the Official List and the Main Market of the London Stock Exchange, which completed on 21 December 2021.

Acquisition of Lyramid

We were attracted to Lyramid as it is a clear market leader in Midkine inhibiting RNA therapeutic drugs with the exclusive worldwide licence to commercialise up to 37 patents related to Midkine-based therapies for the treatment of cancer patients, autoimmune disorders, chronic kidney disease and Covid-19. Lyramid operates in a market with significant growth potential as this is a novel disease target - where there is therapeutic potential for Midkine for a number of indications of unmet needs. The potential Midkine blocking drug development market is enormous with the drug markets for cancer estimated to be \$75 billion, anti-inflammatory \$98 billion, autoimmune \$110 billion and Covid-19 \$25.6 billion.

Our aim is to achieve value creation at an early stage as RNA based therapeutic drugs offer a quicker and cheaper route to market versus the monoclonal antibody approach to drug discovery. We believe the foundations are in place to achieve value in the medium term with the Company fully funded to drive our pre-clinical programmes forward and we expect to enter the clinic by H2 2023. Our strategy remains to either partner with or sell our drugs to big pharma.

Post Period End

The Company has made encouraging progress with its pre-clinical programme and on 17 January 2022 completed the first stage screening of a novel series of gene silencing reagents targeting Midkine, with the most promising lead drugs selected. The lead compounds were synthesized in preparation for in vitro experiments to test efficacy in altering cancer cell properties. This is a first-in-class drug target with significant clinical potential and we believe the targeted delivery of Midkine inhibiting RNA therapeutic drugs to tumours represents a novel anti-cancer treatment strategy. After establishing efficacy to inhibit Midkine in cancer, this opens up the significant possibility to target Midkine for other indications such as Covid-19, anti-inflammatory and autoimmune disorders.

Following the positive pre-clinical trials, the Company announced on 21 March 2022 that it had filed its first composition of matter provisional patent application for a new

class of RNA therapeutic drugs targeting Midkine. The in vitro experiments generated very positive results demonstrating that the Company's lead oligonucleotide drug candidates significantly reduce Midkine levels seen in human cancer cells, in line with initial pre-test expectations.

In order to drive our preclinical programmes forward towards commercialisation, the Company has strengthened the team with three appointments from the pharmaceutical industry, each of whom add significant relevant expertise in drug development, commercialising programmes and driving pre-clinical and clinical programmes. As such, I'd like to again welcome Professor Trevor Jones, as strategic and scientific advisor to the Board who joined the Company on 14 February 2022, and Ms Jean Duvall and Dr Simon Sinclair as Non-Executive Directors, who joined on 5 April and 20 April 2022, respectively. All three appointments will help further the Company's ability to capitalise on the significant growth potential that Midkine inhibiting RNA therapeutics drugs offer.

Outlook

As we look to the future, we are optimistic in the therapeutic potential of Midkine in meeting a number of indications of unmet needs in major multi-billion dollar markets. In cancer in particular, we continue to believe it is a first-in-class drug target with significant clinical potential and we believe the targeted delivery of Midkine inhibiting RNA therapeutic drugs to tumours represents a novel anti-cancer treatment strategy.

With licences held for the largest portfolio of patents on Midkine and a limited competitive landscape, the Company is uniquely positioned to progress this exciting area of development and achieve significant value. I would like to thank shareholders for their continued support and I look forward to updating them as we progress through the year.

Stephen West,
Executive Chairman
10 May 2022

DIRECTORS REPORT

The Directors present their report with the audited financial statements of Roquefort Therapeutics plc ("the Company") and its subsidiary Lyramid Pty Limited ("Lyramid"), together "the Group" for the period from the Company's incorporation on 17 August 2020 to 31 December 2021. A commentary on the business for the period is included in the Chairman's Statement on page 3. A review of the business is also included in the Strategic Report on pages 12 to 22.

The Company's Ordinary Shares were admitted to listing on the London Stock Exchange, on the Official List pursuant to Chapters 14 of the Listing Rules, which sets out the requirements for Standard Listings.

Directors

The Directors of the Company during the year and their beneficial interest in the Ordinary shares of the Company at 31 December 2021 were as follows:

Director	Position	Appointed	Resigned	Ordinary shares	Warrants
Stephen West ¹	Executive Chairman	17/08/2020	-	4,400,000	7,500,000
Glenn Whiddon ^{2,3}	Non-Executive Director	17/08/2020	20/10/2021	8,000,000	3,500,000
Mark Rollins	Non-Executive Director	02/11/2020	04/04/2022	4,000,000	3,750,000
Dr Michael Stein	Non-Executive Director	22/03/2021	-	-	2,000,000
Mark Freeman	Non-Executive Director	20/10/2021	-	-	500,000

¹4,399,000 Ordinary shares and warrants held by Stephen West were held by Cresthaven Investments Pty Ltd ATF The Bellini Trust; and 1,000 were held by Stephen West direct.

²2,500,000 shares held by MIMO Strategies Pty Ltd (ATF the Mimo Trust), 4,100,000 shares held by 6466 Investment Pty Ltd and 700,000 shares held by Nautical Holdings WA Pty Ltd which are entities controlled by Jane Whiddon, the spouse of Glenn Whiddon. 700,000 shares held by Getmeoutofhere Pty Ltd which is an entity

controlled by Glenn Whiddon.

³2,500,000 warrants held by MIMO Strategies Pty Ltd (ATF the MIMO Trust), 300,000 warrants held by 6466 Investment Pty Ltd and 350,000 warrants held by Nautical Holdings WA Pty Ltd which are entities controlled by Jane Whiddon, the spouse of Glenn Whiddon. 350,000 warrants held by Getmeoutofhere Pty Ltd which is an entity controlled by Glenn Whiddon.

Qualifying Third Party Indemnity Provision

At the date of this report, the Company has a third-party indemnity policy in place for all Directors.

Substantial shareholders

As at 31 December 2021, the total number of issued Ordinary Shares with voting rights in the Company was 71,900,000. Details of the Company's capital structure and voting rights are set out in note 17 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at the date of approval of this report.

Party Name	Number of Ordinary Shares	% of Share Capital
Jane Whiddon ¹	7,300,000	10.15%
Abdelatif Lachab	7,200,000	10.00%
Provelmare SA	5,000,000	6.90%
Stephen West ²	4,550,000	6.33%
Mark Rollins	4,000,000	5.56%
Sebastian Marr	2,400,000	3.34%

¹2,500,000 shares held by MIMO Strategies Pty Ltd (ATF the MIMO Trust); 4,100,000 shares held by 6466 Investments Pty Ltd; 700,000 shares held by Nautical Holdings WA Pty Ltd - all of which are entities controlled by J Whiddon

²4,399,000 shares held by Cresthaven Investments Pty Ltd (ATF the Bellini Trust) - an entity associated with S West

Financial instruments

Details of the use of the Company's financial risk management objectives and policies as well as exposure to financial risk are contained in the Accounting policies and note 19 of the financial statements.

Greenhouse Gas (GHG) Emissions

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the year under review, it has not been practical to measure its carbon footprint.

In the future, the Company will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

Dividends

The Directors do not propose a dividend in respect of the period ended 31 December 2021.

Future developments and events subsequent to the year end

Further details of the Company's future developments and events subsequent to the year-end are set out in the Strategic Report on pages 12 to 22.

Corporate Governance

The Governance report forms part of the Director's Report and is disclosed on pages 23 to 26.

Going Concern

The Company's business activities, together with facts likely to affect its future operations and financial and liquidity positions are set out in the Chairman's

Statement and also note 1 of the financial statements. In addition, note 19 to the financial statements disclose the Company's financial risk management policy.

The Directors, having made due and careful enquiry, are of the opinion that the Company and the newly formed group have as a result of the successful RTO and significant funds raised, adequate working capital to execute its operations over the next 12 months. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

Principal Activities

The Company's principal activity in the reporting period was to seek investment opportunities in businesses focused on early-stage opportunities in the medical biotechnology sector.

Auditors

The Board appointed Jeffrey's Henry Audit Limited as auditors of the Company on 18 February 2022. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with UK adopted International Accounting Standards.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies with a Standard Listing.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK adopted International 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 and the Remuneration Committee Report 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 also responsible to make a statement that they consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Company's position and performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rule

Each of the Directors, whose names and functions are listed on page 5 to 7 confirm that, to the best of their knowledge and belief:

- the financial statements prepared in accordance with UK adopted International Accounting Standards, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Annual Report and financial statements, including the Strategic Report, includes a fair review of the development and performance of the business

and the position of the Company, together with a description of the principal risks and uncertainties that they face.

Disclosure of Information to Auditors

So far as the Directors are aware, there is no relevant audit information 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.

This directors' report was approved by the Board of Directors on 10 May 2022 and is signed on its behalf by:

Stephen West,
Executive Chairman

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Period ended 31 December 2021 £
Revenue	7	719
Other income		130
Cost of goods		(10,069)
Administrative expenses	8	(252,392)
Costs associated with the IPO		(182,053)
Share based payments to directors and senior managers		(248,326)
Costs associated with the acquisition of Lyramid		(224,744)
Research and development expenditure		(698)
Operating loss		(917,433)
Finance income		-
Loss before taxation		(917,433)
Taxation	9	-
Loss for the period		(917,433)
Foreign exchange loss		-
Total comprehensive loss for the period attributable to equity holders of the parent		(917,433)
Loss per share (basic and diluted) attributable to the equity holders (pence)	10	(3.71)

The notes to the financial statements form an integral part of these financial

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2021	
		£	£
Assets			
Non-current assets			
Intangible assets	11		1,481,530
Current assets			
Trade and other receivables	13	2,178,783	
Cash and cash equivalents	14	899,721	
Total current assets			3,078,504
Total assets			4,560,034
Equity and liabilities			
Equity attributable to shareholders			
Share capital	17	719,000	
Share premium	17	3,910,595	
Share based payments reserve	18	366,708	

Retained deficit		(914,321)	
Currency translation reserve		624	
Total equity			4,082,606
Liabilities			
Non-current liabilities			
Deferred tax liabilities	16	281,911	
Current liabilities			
Trade and other payables	15	195,517	
Total liabilities			477,428
Total equity and liabilities			4,560,034

The notes to the financial statements form an integral part of these financial statements.

This report was approved by the board and authorised for issue on 10 May 2022 and signed on its behalf by:

Stephen West
Executive Chairman

STATEMENT OF FINANCIAL POSITION FOR ROQUEFORT THERAPEUTICS PLC

As at 31 December
2021

	Note	£	£
Assets			
Non-current assets			
Investments	12	1,015,695	
Intercompany receivables		132,800	
Total non-current assets			1,148,495
Current assets			
Trade and other receivables	13	2,136,224	
Cash and cash equivalents	14	857,614	
Total current assets			2,993,838
Total assets			4,142,333
Equity and liabilities			
Equity attributable to shareholders			
Share capital	17	719,000	
Share premium	17	3,910,595	
Share based payments reserve	18	366,708	
Retained deficit		(981,620)	
Total equity			4,014,683
Liabilities			
Current liabilities			
Trade and other payables	15	127,650	
Total liabilities			127,650
Total equity and liabilities			4,142,333

The notes to the financial statements form an integral part of these financial statements.

This report was approved by the board and authorised for issue on 10 May 2022 and signed on its behalf by:

Stephen West
Executive Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary Share capital £	Share Premium £	Share Based Payment Reserve £	Retained earnings £	Translation Reserve £	Total equity £
On Incorporation	-	-	-	3,112	-	3,112

Profit/ (Loss) for the period	-	-	-	(917,433)	624	(916,809)
Total comprehensive profit / (loss) for the period	-	-	-	(914,321)	624	(913,697)
Transactions with owners						
Ordinary Shares issued	719,000	4,070,000	-	-	-	4,789,000
Share issue costs	-	(159,405)	-	-	-	(159,405)
Warrants issued	-	-	366,708	-	-	366,708
Total transactions with owners	719,000	3,910,595	366,708	(914,321)	624	4,082,606
As at 31 December 2021	719,000	3,910,595	366,708	(914,321)	624	4,082,606

Share capital comprises the ordinary issued share capital of the Company.

Share premium represents consideration less nominal value of issued shares and costs directly attributable to the issue of new shares.

Share based payments represents the value of equity settled share-based payments provided to employees, including key management personnel, and third parties for services provided.

Retained deficit represents the cumulative retained losses of the Company at the reporting date.

Translation reserve represents the exchange difference arising on the consolidation of foreign subsidiaries. The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR ROQUEFORT THERAPEUTICS PLC

	Ordinary Share capital	Share Premium	Share Based Payment Reserves	Retained earnings	Total equity
	£	£	£	£	£
On Incorporation	-	-	-	-	-
Loss for the period	-	-	-	(981,620)	(981,620)
Total comprehensive loss for the period	-	-	-	(981,620)	(981,620)
Transactions with owners					
Ordinary Shares issued	719,000	4,070,000	-	-	4 789 000
Share issue costs	-	(159,405)	-	-	(159,405)
Warrants issued	-	-	366,708	-	366,708
Total transactions with owners	719,000	3,910,595	366,708	(981,620)	4,014,683
As at 31 December 2021	719,000	3,910,595	366,708	(981,620)	4,014,683

The notes to the financial statements form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

	Note	Period ended 31 December 2021 £
Cash flow from operating activities		
Loss before income tax		(996,068)
Adjustments for:		
Foreign Exchange		765
Non-cash adjustment		(2,602)
Share based payment	18	366,708
Changes in working capital:		
Increase in trade and other receivables		(2,130,636)

Increase in trade and other payables		129,525
Decrease in Inventory		9,273
Net cash used in operating activities		(2,623,035)
Cash flow from Investing activities		
Acquisition of subsidiary, net of cash acquired		(1,106,225)
Cash flows from financing activities		
Proceeds from the issue of ordinary shares	17	4,789,000
Share issue costs	17	(159,405)
Net Cash used in financing activities		4,669,502
Net increase in cash and cash equivalents		900,335
Cash and cash equivalents at the beginning of the period		-
Foreign exchange impact on cash		(614)
Cash and cash equivalents at the end of the period	14	899,721

A net debt reconciliation has not been included as the Company had no debt during the year.

The notes to the financial statements form an integral part of these financial statements.

NOTES TO THE ACCOUNTS

1. General Information

Roquefort Therapeutics plc, the Group's ultimate parent company, was incorporated on 17 August 2020 as a public company in England and Wales with company number 12819145 under the Companies Act.

The address of its registered office is Eccleston Yards, 25 Eccleston Place, London SW1W 9NF, United Kingdom.

The principal activity of the Company is to pursue opportunities to acquire biotechnology businesses that are focused on early stage opportunities in the medical biotechnology sector to include (but not limited to):

- Drug and vaccine development;
- Diagnostics;
- Immuno-therapy; and
- Cell and gene therapies.

The Company listed on the London Stock Exchange ("LSE") on 22 March 2021.

The consolidated financial statements of the Group have been prepared in accordance with UK adopted International Accounting Standards as issued by the UK Accounting Standards Board (ASB). They have been prepared under the assumption that the Group operates on a going concern basis.

2. New Standards and Interpretations

No new standards, amendments or interpretations, effective for the first time for the period beginning on or after 17 August 2020 have had a material impact on the Group.

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IFRS 3	Reference to Conceptual Framework	1 January 2022

IAS 37	Onerous contracts	1 January 2022
IAS 16	Proceeds before intended use	1 January 2022
Annual improvements	2018-2020 Cycle	1 January 2023
IFRS 17	Insurance contracts	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non- Current	1 January 2023

The Directors are evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the financial statements of the Group.

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 period presented, unless otherwise stated.

a) Basis of Preparation

The financial statements of Roquefort Therapeutics plc have been prepared in accordance with UK adopted International Accounting Standards and the Companies Act 2006.

The financial statements have been prepared on an accrual basis and under the historical cost convention.

b) Going Concern

The preparation of the financial statements requires an assessment on the validity of the going concern assumption.

The Directors, having made due and careful enquiry, are of the opinion that the Company and the newly formed Group have, as a result of the successful Reverse Takeover (RTO) and significant funds raised, adequate working capital to execute its operations over the next 12 months. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

Furthermore, the Directors acknowledge that COVID-19 has had, and will continue to have, a significant adverse impact on the global economy. The Directors do not believe that COVID-19's impact on the global economy gives rise to a material uncertainty in respect of the Company's going concern status due to the Company not being dependent on future financing being obtained in the going concern period.

c) Basis of Consolidation

The Group's financial statements consolidate those of the parent company and its subsidiary as of 31 December 2021. Its subsidiary has a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of its subsidiary have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

d) Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

e) Foreign Currency Translation

i) Functional and Presentation Currency

The financial statements are presented in Pounds Sterling (GBP), which is the Company's functional and presentation currency. IAS 21 The Effects of Changes in Foreign Exchange Rates requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period). The foreign exchange differences on translation is recognised in other comprehensive income (loss).

ii) Transactions and Balances

Transactions denominated in a foreign currency are translated into the functional currency at the exchange rate at the date of the transaction. Assets and liabilities in foreign currencies are translated to the functional currency at rates of exchange ruling at balance date. Gains or losses arising from settlement of transactions and from translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement for the period.

iii) Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into GBP at the closing rate of 0.5371 at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into GBP at the closing rate on the acquisition date of 0.5387.

Income and expenses have been translated into GBP at the average rate of 0.5461 over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

f) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-

makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.

All operations and information are reviewed together so that at present there is only one reportable operating segment.

In the opinion of the Directors, during the period the Group operated in the single business segment of biotechnology.

g) Goodwill and Intangible assets

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer to Note (h) for a description of impairment testing procedures.

Other intangible assets, including customer relationships, licences, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Refer to Note (h) for amortisation procedures.

h) Impairment testing of goodwill, other intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Goodwill is not amortised.

The estimated useful lives for current and comparative periods are as follows:

- licences, patents and trademarks: 1-5 years

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

i) Financial Instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

ii) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

iv) Impairment

The Company assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

j) Financial Liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL,

which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

k) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials and direct labour with any variable and fixed overheads expensed in a period. Costs of purchased inventory are determined after deducting rebates and realisable value as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability, a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

m) Taxation

Taxation comprises current and deferred tax.

Current tax is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on

investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash, and which are subject to an insignificant risk of changes in value.

o) Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Translation reserve comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into GBP.

Retained losses includes all current period results as disclosed in the income statement and share-based employee remuneration.

All transactions with owners of the parent are recorded separately within equity.

No dividends are proposed for the period.

p) Earnings per Ordinary Share

The Company presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

q) Employee benefits

For the period the Group's only employees due benefits were within its subsidiary, Lynamid.

Provision is made for Lynamid's liability for employee benefits arising from services rendered by employees up to the end of the reporting period. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Short term obligations

Liability for wages and salaries, including non-monetary benefits, annual leave, long

service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefit obligations

Liability for annual leave and long service leave not expected to be settled within 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, of employee departures and period of service.

Retirement benefit obligations

Contributions for retirement benefit obligations are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. Contributions are paid into the fund nominated by the employee.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

r) Share-based payments

The Company has applied the requirements of IFRS 2 Share-based payments.

The Company issues equity settled share based payments to the directors and to third parties for the provision of services provided for assistance in raising private equity. Equity settled share based payments are measured at fair value at the date of grant, or the date of the service provided. The fair value determined at the grant date or service date of the equity settled share based payment is recognised as an expense, or recognised against share premium where the service received relates assistance in raising equity, with a corresponding credit to the share base payment reserve. The fair value determined at the grant date of equity settled share based payment is expensed on a straight line basis over the life of the vesting period, based on the company's estimate of shares that will eventually vest. Once an option or warrant vests, no further adjustment is made to the aggregate expensed.

The fair value is measured by use of the Black Scholes model as the Directors view this as providing the most reliable measure of valuation. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioural considerations. The market price used in the model is the quoted LSE closing price immediately preceding the calculation date. The fair value calculated is inherently subjective and uncertain due to the assumptions made and the limitation of the calculation used.

s) Financial Risk Management Objectives and Policies

The Company does not enter into any forward exchange rate contracts.

The main financial risks arising from the Company's activities are market risk, interest rate risk, foreign exchange risk, credit risk, liquidity risk and capital risk management. Further details on the risk disclosures can be found in Note 19.

t) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with International Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the

Company's accounting policies.

Estimates and judgements are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors consider the significant accounting judgements, estimates and assumptions used within the financial statements to be:

Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In the period the Directors consider the significant accounting judgements, estimates and assumptions used within the financial statements to be:

Business combinations

Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination (see Note (d)). In particular, the fair value of contingent consideration is dependent on the outcome of many variables including the acquirees' future profitability (see Note 4).

Share Based Payments

In the period to 31 December 2021 35,875,000 warrants were granted. When accounting for the share based payment expense in respect of those warrants granted, Management must calculate the fair value of the share warrants issued. Management have done so using the Black Scholes model, however, a number of the inputs in this model are subjective and thus management must make estimates.

4. Acquisition of Lynamid Pty Limited

On 21 December 2021, Roquefort Therapeutics made its first acquisition. It acquired 100% of the equity instruments of Lynamid Pty Limited, an Australian based business, thereby obtaining control. The acquisition was made in line with the Company's stated strategic objective to pursue investments in the global biotechnology sector.

The details of the business combination as follows:

Fair value of consideration transferred	£
Amount settles in cash	1,148,495
Loans assigned at acquisition	(132,800)
Fair value of contingent consideration	-
Total	1,015,695
Recognised amounts of identifiable net assets at book values	
Inventories	9,273
Trade and other receivables	42,674
Cash and cash equivalents	42,270
Total current assets	94,217
Borrowings	212,065
Deferred tax liabilities	281,911
Total non-current liabilities	493,976
Provisions	
Other liabilities	28,195
Trade and other payables	37,881
Total current liabilities	66,076
Identifiable net liabilities	465,835
Intangible asset at fair value	1,481,530
Consideration transferred settled in cash	648,496
Cash and cash equivalents acquired	42,270
Net cash outflow on acquisition	606,226
Acquisition costs charged to expenses	224,744

Consideration transferred

The acquisition of Lynamid was settled for a consideration of £1,148,495; £648,495 being payable in cash and £500,000 payable in shares. On acquisition, loans of £132,800 were assigned from the previous owner.

The purchase agreement included an additional contingent deferred consideration to the Seller to be satisfied in the form of Ordinary Shares as follows:

- (a) if prior to fifth anniversary of Admission (on 21 December 2021), the Company's market capitalisation exceeds £25,000,000 for a period of 5 or more consecutive trading days the Company shall issue to the Seller (or its nominee) 5,000,000 Ordinary Shares; and
- (b) if prior to fifth anniversary of Admission (on 21 December 2021) the Company's market capitalisation exceeds £50,000,000 for a period of 5 or more consecutive trading days the Company shall issue to the Seller (or its nominee) a further 5,000,000 Ordinary Shares.

Acquisition-related costs amounting to £224,744 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of other expenses.

Identifiable net assets

The fair value of the trade and other receivables acquired as part of the business combination amounted to £42,674. As of the acquisition date, the Group's best estimate of the contractual cash flow not expected to be collected amounted to zero.

Lynamid's contribution to the Group results

Lynamid incurred a loss of £14,449, for the eleven days from 21 December 2021 to the reporting date. Revenue for this period was £719.

If Lynamid had been acquired on 17 August 2020, revenue of the Group for the period would have been £23,857, and loss for the period would have increased by £193,881.

5. Investments in subsidiaries

The parent company has investments in the following subsidiary undertakings which are unlisted:

Name	Country of incorporation	Holding	Proportion of voting rights	Principal activity
Lynamid Pty Limited	Australia	Ordinary shares	100%	Biotechnology research company

6. Directors' and Employees' Remuneration

Directors' Remuneration

	Period ended 31 December 2021 £
Fee's to non-executive directors	47,301
Bonus	10,000
Share based payment charge	178,053
	235,354

Further information about the remuneration of individual directors are provided in the

Directors' Remuneration Report.

Remuneration of Key Management Personnel

	Period ended 31 December 2021 £
Salaries and short-term employee benefits	1,899
Long term benefits	221
Post-employment benefits	186
Share based payment charge	62,464
	64,770

Average number of employees during the year (including Directors full time equivalent)

	Period ended 31 December 2021
Continuing operations	1

Stephen West is the sole employee of the Company, and the Company has had no other employees in the period. Lyramid's sole employee is Graham Robertson.

7. Revenue

Revenue in the period was £719 and was in the Group's only business segment of biotechnology.

8. Operating Loss

The following items have been charged/(credited) to the income statement in arriving at the Group's operating loss from continuing operations:

	Period ended 31 December 2021 £
Other operating costs	
Costs associated with the IPO	182,053
Directors' and employee costs	59,607
Share based payments to directors and senior management	248,326
Costs associated with the acquisition of Lyramid	224,744
Legal fees	31,165
Consulting and professional fees	125,807
Other expenditure	35,818
	907,515

During the year the Group obtained the following services from its auditor:

	Period ended 31 December 2021 £
Audit Services	
Statutory audit - Group and Company	22,000

22,000

9. Taxation

	Period ended 31 December 2021 £
Current tax	-
Deferred tax	-
Income tax expense	-

Income tax can be reconciled to the loss in the statement of comprehensive income as follows:

	Period ended 31 December 2021 £
Loss before taxation	(917,433)
Tax at the UK Corporation of 19%	174,312
Effect of overseas tax	867
Expenditure disallowable for taxation	-
Tax losses on which no deferred tax assets has been recognised	(175,179)
Total tax (charge)/credit	-
UK	-
Overseas	-
Total tax (charge)/credit	-

The Group has accumulated tax losses of approximately £917,000 that are available, under current legislation, to be carried forward indefinitely against future profits.

A deferred tax asset has not been recognised in respect of these losses due to the uncertainty of future profits. The amount of the deferred tax asset not recognised is approximately £175,000.

On 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020. On 3 March 2021, the Chancellor announced that the corporation tax rate will be increasing to 25% from 1 April 2023.

10. Earnings per share

	Period ended 31 December 2021 £
Loss attributable to equity shareholders	(917,433)
Weighted average number of ordinary shares	24,701,793
Loss per share in pence	
Basic	(3.71)
Diluted	(3.71)

There is no difference between the basic and diluted earnings per share as the effect would be to decrease earnings per share.

As at the end of the financial period there were 34,375,000 warrants in issue, which

could potentially have an anti-dilutive impact depending on the results of the Company.

11. Intangible Assets

	Period ended 31 December 2021 £
Cost	
At 17 August 2020	-
Goodwill	281,911
Licences	1,199,619
At 31 December 2021	1,481,530
Amortisation	
At 17 August 2021	-
Impairment Charge	-
At 31 December 2021	-
Carrying value	
At 17 August 2020	-
At 31 December 2021	1,481,530

The Directors have concluded that there has been no material impairment of the goodwill associated with the acquisition of Lynamid Pty Limited at 31 December 2021. The Goodwill represents the deferred tax value of the licence agreement and patents held by Lynamid.

12. Investments

The Group had no investments at 31 December 2021, or 17 August 2020.

Company	Shares in subsidiary undertakings £
Cost at 17 August 2020	-
Additions	1,015,695
Cost at 31 December 2021	1,015,695
Impairment	
At 17 August 2021	-
Charge for period	-
At 31 December 2021	-
Net book value at 17 August 2020	-
Net book value at 31 December 2021	1,015,695

In the period the Company acquired 100% of the issued shares of Lynamid Pty Limited. The net book value of shares in subsidiary undertakings is subject to commercial and management review, as well as review for indicators of impairment at least once a year. This is to confirm the carrying amount of the investment in the financial statements does not exceed the estimated recoverable amount of the investment. When this is no longer the case, the costs are written off through the statement of profit or loss and other comprehensive income. The Directors have concluded that there has been no material impairment to the investment in Lynamid Pty Limited at 31 December 2021.

13. Trade and other receivables

	Group 31 December 2021 £	Company 31 December 2021 £
Trade receivables	17,825	-
Other receivables	2,135,031	2,130,875
Prepayments and accrued income	25,927	5,349
	2,178,783	2,136,224

There are no material differences between the fair value of trade and other receivables and their carrying value at the year end.

The other receivables balance primarily relates to shares issued in December 2021 as part of the RTO to acquire Lyramid. These monies were collected in full in January 2022.

No receivables were past due or impaired at the year end.

14. Cash and cash equivalents

	Group 31 December 2021 £	Company 31 December 2021 £
Cash at bank and in hand	899,271	857,614

The Directors consider the carrying amount of cash and cash equivalents approximates to their fair value.

15. Trade and other payables

	Group 31 December 2021 £	Company 31 December 2021 £
Trade creditors	40,718	962
Accruals and other creditors	154,799	126,688
	195,517	127,650

16. Deferred tax assets and liabilities

	Group Period ended 31 December 2021 £	Company Period ended 31 December 2021 £
At 17 August 2020	-	-
Recognised in business combination	281,911	-
At 31 December 2021	281,911	-

See note 4 - Acquisition of Lyramid Pty Limited.

17. Share capital

Group and Company	Ordinary Shares No.	Share Capital £	Share Premium £	Total £
Issue of ordinary shares on incorporation ¹	5,000,000	50,000	-	50,000
Issue of ordinary shares ²	7,400,000	74,000	-	74,000
Issue of ordinary shares ³	20,000,000	200,000	800,000	1,000,000

Exercise of broker warrants ⁴	1,500,000	15,000	-	15,000
Issue of ordinary shares ⁵	3,000,000	30,000	120,000	150,000
Issue of ordinary shares ⁶	30,000,000	300,000	2,700,000	3,000,000
Issue of ordinary shares ⁷	5,000,000	50,000	450,000	500,000
Share issue costs	-	-	(159,405)	(159,405)
At 31 December 2021	71,900,000	719,000	3,910,595	4,629,595

¹On incorporation on 17 August 2020, the Company issued 5,000,000 ordinary shares of £0.01 at their nominal value of £0.01.

²On 20 November 2020, the Company issued 7,400,000 ordinary shares at their nominal value of £0.01.

³On admission to the Standard List of the LSE on 22 March 2021, 20,000,000 shares were issued at a placing price of £0.05.

⁴On 19 April 2021 1,500,000 brokers warrants were exercised at the exercise price of £0.01 resulting in the issue of 1,500,000 ordinary shares.

⁵On 18 August 2021, the Company issued 3,000,000 ordinary shares of £0.01 at an issue price of £0.05.

⁶On 21 December 2021, the Company issued 30,000,000 ordinary shares of £0.01 at an issue price of £0.10.

⁷On 21 December 2021, the Company issued 5,000,000 ordinary shares of £0.01 at an issue price of £0.10.

18. Share Based Payment Reserves

	Total £
Directors warrants issued ¹	6,833
Broker seed warrants issued ²	60,002
Broker placing warrants issued ³	8,076
Completion warrants issued ⁴	100,947
Senior management warrants issued ⁵	140,544
Optiva warrants issued ⁶	44,417
Orana warrants issued ⁷	5,889
At 31 December 2021	366,708

¹On admission to LSE on 22 March 2021 750,000 directors' warrants were issued that entitle the warrant holder to subscribe for one Ordinary Share at £0.05 per ordinary share and a further 750,000 directors warrants were issued that entitle the warrant holder to subscribe for one ordinary share at £0.10 per ordinary share.

²On admission to LSE on 22 March 2021 1,500,000 brokers warrants were issued that entitle the warrant holder to subscribe for one Ordinary Share at £0.01 per ordinary share.

³On admission to LSE on 22 March 2021, 480,000 Broker Placing Warrants were issued that entitle the warrant holder to subscribe for one ordinary share at the placing price of £0.05 per ordinary share.

⁴On readmission to LSE on 21 December 2021, 3,000,000 Completion Warrants were issued that entitle, Stephen West (the warrant holder) to subscribe for one ordinary share at £0.10 per ordinary share.

⁵On readmission to LSE on 21 December 2021, 4,500,000 Senior Management Warrants were issued that entitle the warrant holder to subscribe for one ordinary share at £0.15 per ordinary share.

⁶On readmission to LSE on 21 December 2021, 1,320,000 Optiva Warrants were issued that entitle the warrant holder to subscribe for one ordinary share at £0.10 per

ordinary share.

⁷ On readmission to LSE on 21 December 2021, 175,000 Orana Warrants were issued that entitle the warrant holder to subscribe for one ordinary share at £0.10 per ordinary share.

The fair value of the services received in return for the warrants granted are measured by reference to the fair value of the warrants granted. The estimate of the fair value of the warrants granted is measured based on the Black-Scholes valuations model. Measurement inputs and assumptions are as follows:

Warrant	Number of warrants	Share Price	Exercise Price	Expected volatility	Expected life	Risk rate	Expected dividends
Director	750,000	£0.05	£0.05	50.00%	5	15.00%	0.00%
Director	750,000	£0.05	£0.10	50.00%	5	15.00%	0.00%
Broker	1,500,000	£0.05	£0.01	50.00%	0.08	15.00%	0.00%
Broker Placing Completion	480,000	£0.05	£0.05	50.00%	3	15.00%	0.00%
Senior Management	3,000,000	£0.10	£0.10	50.00%	3	15.00%	0.00%
Optiva	4,500,000	£0.10	£0.15	50.00%	5	15.00%	0.00%
Orana	1,320,000	£0.10	£0.10	50.00%	3	15.00%	0.00%
	175,000	£0.10	£0.10	50.00%	3	15.00%	0.00%

Warrants	Number of Warrants	Exercise Price	Expiry date
On incorporation	-	-	-
Issued on 25 November 2020 ¹	5,000,000	£0.10	22 March 2026
Issued on 25 November 2020 ¹	7,000,000	£0.10	22 March 2026
Issued on 17 March 2021	1,500,000	£0.01	20 April 2021
Issued on 17 March 2021	480,000	£0.05	22 March 2024
Issued on 17 March 2021 ¹	750,000	£0.05	22 March 2026
Issued on 17 March 2021 ¹	750,000	£0.10	22 March 2026
Issued on 17 March 2021	10,000,000	£0.10	21 March 2023
Exercised on 19 April 2021	(1,500,000)	£0.01	20 April 2021
Issued on 18 August 2021	1,500,000	£0.10	22 March 2023
Issued on 13 October 2021	3,000,000	£0.10	21 December 2024
Issued on 13 October 2021	4,500,000	£0.15	21 December 2026
Issued on 13 October 2021	1,320,000	£0.10	21 December 2024
Issued on 13 October 2021	175,000	£0.10	21 December 2024
At 31 December 2021	34,375,000	£0.105	

¹The warrants vest on 21 March 2022, being 12 months from date of admission.

The weighted average time to expiry of the warrants as at 31 December 2021 is 3.05 years.

19. Financial Instruments and Risk Management

Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return

to stakeholders. The overall strategy of the Group is to minimise costs and liquidity risk.

The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued share capital, reserves and retained earnings as disclosed in the Statement of Changes of Equity.

The Group is exposed to a number of risks through its normal operations, the most significant of which are interest, credit, foreign exchange, commodity and liquidity risks. The management of these risks is vested to the Board of Directors.

The sensitivity has been prepared assuming the liability outstanding was outstanding

for the whole period. In all cases presented, a negative number in profit and loss represents an increase in finance expense / decrease in interest income.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Group are bank balances. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The Group's maximum exposure to credit by class of individual financial instrument is shown in the table below:

	Carrying value at 31 December 2021 £	Maximum Exposure at 31 December 2021 £
Trade receivables	17,825	17,825
Other receivables	2,160,958	2,160,958
Cash and cash equivalents	899,721	899,721
	3,078,504	3,078,504

Currency Risk

The Group operates in a global market with income and costs possibly arising in a number of currencies and is exposed to foreign currency risk arising from commercial transactions, translation of assets and liabilities and net investment in foreign subsidiaries. Exposure to commercial transactions arise from sales or purchases by operating companies in currencies other than the Group's functional currency. Currency exposures are reviewed regularly.

The Group has a limited level of exposure to foreign exchange risk through their foreign currency denominated cash balances and a portion of the Group's costs being incurred in Australian Dollars. Accordingly, movements in the Sterling exchange rate against these currencies could have a detrimental effect on the Group's results and financial condition.

Currency risk is managed by maintaining some cash deposits in currencies other than Sterling. The table below shows the currency profiles of cash and cash equivalents:

Cash and cash equivalents	At 31 December 2021 £
Sterling	857,614
Australian Dollars	42,107
	899,721

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are

due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group seeks to manage liquidity risk by regularly reviewing cash flow budgets and forecasts to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group deems there is sufficient liquidity for the foreseeable future.

The Group had cash and cash equivalents at period end as below:

	At 31 December 2021 £
Cash and cash equivalents	899,721 899,721

Interest Rate Risk

The Group is exposed to interest rate risk whereby the risk can be a reduction of interest received on cash surpluses held and an increase in interest on borrowings the Group may have. The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	At 31 December 2021 £
Bank balances	899,721 899,721

Given the extremely low interest rate environment on bank balances, any probable movement in interest rates would have an immaterial effect.

20. Financial assets and financial liabilities

Group	Financial Assets at amortised cost £	Financial Liabilities at amortised cost £	Total £
31 December 2021			
Financial assets/liabilities			
Trade and other receivables	2,178,783	-	2,178,783
Cash and cash equivalents	899,721	-	899,721
Trade and other payables	-	(195,517)	(195,517)
	3,078,504	(195,517)	2,882,987
 Company			
31 December 2021			
Financial assets/liabilities			
Trade and other receivables	2,136,224	-	2,136,224
Cash and cash equivalents	857,614	-	857,614
Trade and other payables	-	(127,650)	(127,650)
	2,993,838	(127,650)	2,866,188

21. Capital Commitments

There were no capital commitments at 31 December 2021.

22. Contingent Liabilities

There were no contingent liabilities at 31 December 2021.

23. Operating lease commitments

There were no operating lease commitments at 31 December 2021.

24. Related party transactions

On incorporation, the Company issued 2,500,000 Ordinary Shares of £0.01 at £0.01 per Ordinary Share for cash consideration of £25,000 to Stephen West, a Director and 2,500,000 Ordinary Shares of £0.01 at £0.01 per Ordinary Share for cash consideration of £25,000 to Glenn Whiddon, a Director.

On 20 November 2020, the Company issued 500,000 Ordinary Shares of £0.01 at £0.01 per Ordinary Share for cash consideration of £5,000 to Cresthaven Investments Pty Ltd ATF The Bellini Trust (an entity associated with Stephen West, a Director); 3,500,000 Ordinary Shares of £0.01 at £0.01 per Ordinary Share for cash consideration of £35,000 to 6466 Investments Pty Ltd (an entity associated with Glenn Whiddon, a Director); 3,000,000 Ordinary Shares of £0.01 at £0.01 per Ordinary Share for cash consideration of £30,000 to Mark Rollins, a Director; and 400,000 Ordinary Shares of £0.01 at £0.01 per Ordinary Share for cash consideration of £4,000 to Orana Corporate LLP, an entity which has a service agreement with the Company for the provision of accounting and company secretarial services. All of these shares are paid up.

On admission to the Standard List of the LSE on 22 March 2021, the Company issued 700,000 Ordinary Shares of £0.01 at £0.10 per Ordinary Share for cash consideration of £70,000 to Nautical Holdings Pty Limited (an entity associated with Glenn Whiddon, a Director); 600,000 Ordinary Shares of £0.01 at £0.10 per Ordinary Share for cash consideration of £60,000 to 6466 Investments Pty Limited (an entity associated with Glenn Whiddon, a Director); 700,000 Ordinary Shares of £0.01 at £0.10 per Ordinary Share for cash consideration of £70,000 to Getmeoutofhere Pty Limited (an entity associated with Glenn Whiddon, a Director); 1,000,000 Ordinary Shares of £0.01 at £0.10 per Ordinary Share for cash consideration of £100,000 to Cresthaven Investments Pty Ltd ATF The Bellini Trust (an entity associated with Stephen West, a Director); and 1,000,000 Ordinary Shares of £0.01 at £0.10 per Ordinary Share for cash consideration of £100,000 to Mark Rollins a Director;

On 21 December 2021, the Company issued 399,000 Ordinary Shares of £0.01 at £0.10 per Ordinary Share for cash consideration of £39,900 to Cresthaven Investments Pty Ltd ATF The Bellini Trust (an entity associated with Stephen West, a Director) and 1,000 Ordinary Shares of £0.01 at £0.10 per Ordinary Share for cash consideration of £100 to Stephen West, a Director.

Orana Corporate LLP has a service agreement with the Company for the provision of accounting and company secretarial services. In the period Orana Corporate LLP received £6,930 for these services from the Company. A further £24,000 was received for advisory work in connection with the Company's initial listing on the LSE. A further £30,000 was received for the Placing and subsequent relisting of the Company.

In the period the Company made a loan of £80,000 to its subsidiary Lyramid. This loan has been impaired and a provision has been made against it at the year end.

25. Post reporting date events

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

26. Ultimate controlling party

As at 31 December 2021, there was no ultimate controlling party of the Company.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

FR BXGDULXBDGDG

Anonymous (not verified)

Annual Report & Financial Statements

32666907

A

Wed, 05/11/2022 - 07:00

LSE RNS

Results and Trading Reports

ROQ