Pharma C Investments Plc

Annual Report and Financial Statements
for the year ended 31 December 2021

Registered number 11540119

Contents

Pharma C Investments Plc

Company information

Directors	Sharon Segal (appointed 20 May 2021) Gavin Hilary Sathianathan Toby Waldock Shillioto (appointed 25 June 2021) Nicola Anne Greenberg (appointed 15 March 2021 & resigned 31 Dec 2021)
Registered office	85 Great Portland 1^{st} Floor London W1W 7LT
Corporate Adviser	Novum Securities Limited Lansdowne House 57 Berkeley Square London, W1J 6ER
Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD
Solicitors to English Law	Hill Dickinson. LLP The Broadgate Tower 20 Primrose Street London, EC2A 2EW United Kingdom
Bankers	Revolute Business
Registrars	Neville Registrars Neville House Steelpark Road Halesowen West Midlands, B62 8HD

Chairman's Statement (incorporating the Strategic report)

I am pleased to present the Chairman's Statement and Strategic Report for the financial results on the Company for the period ended 31 December 2021.

Strategic approach

Pharma C's focus is to identify investment opportunities in companies that provide ancillary products and services which serve the Medicinal Cannabis sector, not just in Europe, but in markets globally (with a particular focus on the United Kingdom, Europe and Israel) that are internationally recognised as having well-developed and reputable laws and regulations for the research and production of Medicinal Cannabis, and that comply with the United Nations' Convention on Narcotic Drugs. The company also reserved the right to invest in products and services related to the production of Cannabis Based Medicinal Products (CBMPs) where appropriate.

Development, performance and position of business

Since listing in May 2022, Pharma C completed two investments in companies in the legal medical cannabis industry. Although the CEO at the IPO, Chana Greenberg, departed the business shortly after the listing, her acting replacement Toby Shillito has steered the company capably to investments firstly in the UK's leading hemp, CBD and legal cannabis trade show, Product Earth, and secondly, after the year end, in the UK's leading indoor hydroponic growing facility for medical cannabis, Celadon Pharmaceuticals. Both of these investments have been sourced through the network of connections and relationships which the Pharma C management team has developed over many decades of experience in the cannabis industry. The performance of both businesses since the Pharma C investment has been strong, with Celadon pioneering one of the UK's largest studies into the effects of medical cannabis on chronic pain, and Product Earth gearing up to their biggest ever show in August 2022.

Principal risks and uncertainties

The key business risks affecting the Company are set out below. All these risks are consistent and stable compared with the prior year.

Ongoing legal and regulatory changes

The sectors in which the Company operates may undergo rapid and unexpected changes. It is possible that certain legal and / or regulatory changes may negatively impact either Pharma C directly, or indirectly through an impact on its investee companies. The success of Pharma C depends upon its ability to navigate these changes in a timely manner. As a result, the company continues to invest time and resources into understanding the legal and regulatory landscape in both the medical cannabis and CBD markets. The Company may be subject to laws, regulations and guidelines relating to the manufacture, packaging and labelling, advertising, sale, transportation, storage and disposal of Cannabis for medical purposes, as well as those relating to controlled substances, health and safety and the protection of the environment.

Consumer Perception

Consumer perception may be significantly influenced by scientific research and findings, regulatory investigations, litigation, political statements, media attention and other publicity. There can be no guarantees that further scientific research and findings, regulatory investigations, litigation, political statements, media attention and other publicity will be favourable to the Cannabis market. Further scientific research and findings, regulatory investigations, litigation, political statements, media attention and other publicity that are less favourable than or question the validity of earlier scientific research and findings, regulatory investigations, litigation, political statements, media attention and other publicity may have material adverse effects on the business, financial condition, results and/or future operations of the Company.

Competition

There is competition in the Cannabis market generally. The Company will face competition from both existing competitors, who may make significant improvements to their propositions, and additional competitors entering the market. Competition may exist that will impact the Company's ability to identify and acquire suitable investments in accordance with its strategy. It may also lead to the price of investments being increased by the vendor(s) as a result of the receipt of competing bids by other potential purchasers. This may result in increased costs in the carrying on of the Company's activities and reduced available growth opportunities. The Company's competitors may have greater financial resources, research and development staff, local contacts, facilities and other resources and as a result may be in a better position to compete for opportunities. Any failure of the Company to compete effectively may materially adversely affect the Company's the business, financial condition, results and/or future operations. The Company may need to invest financial resources in research and development to maintain its competitive advantage. There can be no guarantee that the Company will be in the financial position to do so. All statements made regarding the Company's competitive position are based on the Directors' belief and speculation based on their understanding of the current market for Medical Cannabis, and the investment market relating thereto.

Liquidity Risk

Liquidity risk is managed through the assessment of short, medium and long term cashflow forecasts to ensure the adequacy of funding in order to meet the Company's working capital requirements. Cash and cash flow forecasts are regularly reviewed by the Executive Directors and the Company constantly monitors these to ensure, among other scenarios, that the Company is able to meet its liabilities as they fall due. Where a shortfall in funding is identified, the Company will look to meet this shortfall through a variety of funding options including but not limited to the issuing of new equity. The Company relies on the support of its shareholders and has been able to secure new equity and loan facilities during prior years from its main shareholder. This area is considered further in the report of the directors and the accounting policies under 'Going concern'.

Review of strategy and business model

The strategy of the Company is to conduct due diligence into Cannabis and Cannabis derivatives for medical and wellness purposes as well as to make investments into and acquisitions of businesses operating in the Medicinal Cannabis, industries. These activities are subject to specific regulation under the MDA1971, the MDR 2001, the MDDO 2001 and the POCA 2002 in the UK.

The Company's investment strategy will focus on investments operating in the development of a comprehensive regulated and de-regulated supply chain, including for the medical profession and healthcare practitioners, including pharmacology, commercialization, professional prescription by practitioners, after care, statistical management and in addition sales and marketing of Medicinal Cannabis its production, testing and compliance, including research. The Board believes that they have the necessary collective skills and professional experience in the medical cannabis industry to enable the Company to succeed in executing its strategy.

Gender of directors and employees

There are three directors of Pharma C, two men and one woman. The Company recognises the value of the commitment of its key personnel and is conscious that it must keep appropriate reward systems, both financial and motivational, in place to minimise this area of risk following the departure of former CEO Chana Greenberg last year.

Financial performance review

The loss of the Company for the period ended 31 December 2021 before taxation amounts to £517,000 (31 December 2020: loss of £92,000). The majority of the loss in the current year related to the Company's listing to AQUIS

Section 172(1) statement

The Directors continue to act in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefits of the members as a whole.

The requirements of s172 are for the Directors to:

• Consider the likely consequences of any decision in the long term,
• Act fairly between the members of the Company,
• Maintain a reputation for high standards of business conduct,
• Consider the interests of the Company's employees,
• Foster the Company's relationships with suppliers, customers and others, and
• Consider the impact of the Company's operations on the community and the environment.

The Company is an early-stage 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 Chairman's report.
The application of the s172 requirements can be demonstrated through the choice of investments made in the year, as described in the Chairman’s report, all of which have been chosen to maximise profits for our members, whilst ensuring they meet our requirements on their impact on the local communities and environment.

Sharon Segal
Chairman
30 June 2022

Directors' report

The directors present their report on the Company and its audited financial statements for the year ended 31 December 2021.

Principal Activity and Business Review

Pharma C's focus is to identify investment opportunities in companies that provide ancillary products and services which serve the Medicinal Cannabis sector, not just in Europe, but in markets globally (with a particular focus on the United Kingdom, Europe and Israel) that are internationally recognised as having well-developed and reputable laws and regulations for the research and production of Medicinal Cannabis, and that comply with the United Nations' Convention on Narcotic Drugs. The company also reserved the right to invest in products and services related to the production of Cannabis Based Medicinal Products (CBMPs) where appropriate. A review of the business for the year, and future developments are set out in the Chairman's Report, incorporating Strategic Report

Dividends
The Directors do not recommend the payment of a dividend for the year.

Review of the business and future developments
A full review of the Company's performance, financial position and future prospects is given in the Chairman's Report, incorporating the Strategic Report.

Directors and their interests
The interests of the Directors at 31 December 2021 in the ordinary share capital of the Company (all beneficially held) were as follows:

	31 December 2021 No.	**31 December 2020 No. (*)**
Gavin Hilary Sathianathan	20,000,000	20,000,000

Substantial shareholdings

The substantial shareholders with more than 3% shareholding as at 27 June 2022 are shown below

Shareholder	Percentage
HSBC Global Custody Nominee (UK) Ltd	5.5%
JIM Nominees Ltd	73.1%
Pershing Nominees Ltd	10.4%
Winterflood Securities Ltd	4.4%

The 20,000,000 shares owned by Gavin Sathianathan are held within the percentage holding of JIM Nominees Ltd

Employees
The Company has no directly employed personnel other than directors

Creditor payment policy
The policy of the Company is to:

(a) Agree the terms of payment with suppliers when settling the terms of each transaction;

(b) Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and

(c) Pay in accordance with its contractual and other legal obligations provided suppliers comply with the terms and conditions of supply.

Charitable donations
During the period, the Company made no charitable donations (2020 - £Nil).

Financial reporting
The Board has ultimate responsibility for the preparation of the annual audited accounts. A detailed review of the performance of the Company is contained in the Chairman’s report (incorporating the strategic report). Presenting the Chairman’s report (incorporating the strategic report) and Director’s Report, the Board seeks to present a balanced and understandable assessment of the Company’s position, performance and prospects.

Internal control
A key objective of the Directors is to safeguard the value of the business and assets of the Company’s. This requires the development of relevant policies and appropriate internal controls to ensure proper management of the Company’s resources and the identification and mitigation of risks which might serve to undermine them. The Directors are responsible for the Company’s system of internal control and for reviewing its effectiveness. It should, however, be recognised that such a system can provide only reasonable and not absolute assurance against material misstatement or loss.

Risk management
The directors have in place a process of regularly reviewing risks to the business and monitoring associated controls, actions and contingency plans. Risk is further discussed in Note 13.

Directors' indemnities

The Company has put in place qualifying third party indemnity provisions for all of the Directors of the Company which was in force at the date of approval of this report.

Going concern
The Directors noted the losses that the Company has made for the year ended 31 December 2021. The Directors have prepared cash flow forecasts up until July 2022 which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Company remains as going concerns. At 31 December 202 the Company had cash and cash equivalents of [£] and borrowings of £nil. The Company has minimal contractual expenditure commitments and the Board considers the present funds sufficient to maintain the working capital of the Company for a period of at least 12 months from the date of signing the Annual Report and Financial Statements. For these reasons the Directors adopt the going concern basis in the preparation of the Financial Statements

Auditors

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Annual general meeting

Notice of the forthcoming AGM will be enclosed separately.

This report was approved by the Board on 30 June 2022 and signed on its behalf.

Sharon Segal
Director

Statement of directors' responsibilities

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements, in accordance withapplicable law.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards (UK-adopted IAS).

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 period. In preparing the 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 they have been prepared in accordance All, subject to any materialdepartures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to goingconcern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to ceaseoperations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Website publication

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

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Sharon Segal
Director
30 June 2022

Independent auditor's report to the members of Pharma C Investments Plc

Opinion

We have audited the financial statements of Pharma C Investments Plc (the 'company') for the year ended 31 December 2021 which comprise the 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 and Notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

a) Reviewing management's assessment of going concern including cash flow forecasts covering period up to 12 months from the date of approval for financial statements;
b) Reviewing and challenging key underlying assumptions used in the forecasts and reviewing for reasonableness;
c) Reviewing post-year end bank statements, Regulatory News Service announcements and management accounts and assessing post year-end performance and the latest financial position of the company;
d) We sensitised the cash flow forecasts and performed stress tests, in order to assess the impact on cash reserves of a shortfall against budget; and
e) Assessing the adequacy of going concern disclosures within the Annual Report and Financial Statements.

   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

In planning and performing our audit we applied the concept of materiality. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified. Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £25,200 based on approximately 5% of net assets on the basis that the company's investments are the main components of the Statement of financial position. In the prior year, materiality was set at £3,700 based on 10% of loss before tax as there was very limited activity.

We used a lower level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality was set based on 60% of overall materiality (2020:80% of overall materiality) as adjusted for the judgements made with regard to the entity's risk and our evaluation of the specific risks of each audit area, taking into account the internal control environment. Where considered appropriate, performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £1,260 (2020:£185), which is based on 5% of overall materiality. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors in respect of the carrying values of the company's investments and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluation whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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, classification and impairment of investments (Note 13)	
The company held investments with a value of £275k as at 31 December 2021. These are valued in accordance with International Financial Reporting Standards (IFRS) 13 and the fair value hierarchy; and classified as per IFRS 9. **There is the risk that these investments have not been valued in accordance with IFRS 13 or classified in accordance with IFRS 9 and require impairment or reclassification.** **The investees are generally early stage private companies which do not have readily available fair values under the fair value hierarchy. Calculating a fair value can therefore involve a significant level of**	Our work in this area included : • Reviewing the valuation methodology for the investments held and ensuring that the carrying values are supported by sufficient and appropriate audit evidence; • Ensuring that all asset types are categorised according to IFRS, including the accounting disclosures as required under IFRS 9; • Reviewing the movement in investments to ensure they are accounted for and disclosed correctly in line with IFRS 9; ; • Ensuring that Pharma C Investments Plc has full title to the investments held; • Performed a post year-end review of regulatory

judgement.	news service announcements, board minutes, bank statements and ledgers to identify transactions to support the 31 December 2021 carrying value. • Ensuring that appropriate disclosures surrounding the estimates made in respect of any valuations are included in the financial statements; and • Considering whether the transactions have been accounted for correctly within the financial statements.

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 Directors' responsibilities statement, 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 they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector etc. This is evidenced by discussion of laws and regulations with the management, reviewing minutes of meetings of those charged with governance and RNSs and review of legal or professional expenditures.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from Companies Act 2006, AQUIS rules, GDPR, Employment Law, Health and Safety Law, Anti-Bribery and Money Laundering Regulations and QCA compliance.
- 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:
    - Discussion with management regarding potential non-compliance;
    - Review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations; and
    - Review of minutes of meetings of those charged with governance and RNSs
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias was identified in relation to the carrying value of the investments and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- 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 and review of bank statements during the year to identify any large and unusual transactions where the business rationale is not clear.

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.

Zahir Khaki (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
30 June 2022

15 Westferry Circus
Canary Wharf
London E14 4HD

Statement of comprehensive income for the year ended to 31 December 2021

	Note	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Unrealised gain/(loss) on financial investments		-	-
Realised gain/(loss) on financial investments		-	-
Impairment gain/loss on financial investments		-	-
Administration expenses	5	517	92
Operating profit(loss)	5	**(517)**	**(92)**
Other Income		-	
Profit/(Loss) before taxation		**(517)**	**(92)**
Taxation	7	-	-
Profit/(Loss) for the period		**(517)**	**(92)**
Other comprehensive income		-	-
Other comprehensive income for the period net of taxation		**-**	**-**
Total comprehensive income for the year		**(517)**	**(92)**
Earnings per share			
Basic (pence)	8	(0.24)-	(0.09)-
Diluted (pence)	8	(0.24)-	(0.09)

The accompanying accounting policies and notes on pages 18 to 32 form part of these financial statements.

Statement of financial position at 31 December 2021

	Note	31 December 2021 £'000	31 December 2020 £'000
Current assets			
Financial Investments	13	275	-
Trade and other receivables	10	20	7
Cash and cash equivalents		247	8
		542	**15**
Total assets		**542**	**15**
Current liabilities			
Trade and other payables	11	(71)	(37)
		(71)	**(37)**
Net current assets		**471**	**(22)**
Net assets		**471**	**(22)**
Equity			
Share Capital	12	674	247
Share premium account		583	-
Retained earnings		(786)	(269)
		471	**(22)**

The financial statements of Pharma C Investments plc (registered number 11540119) were approved by the Board of Directors and authorised for issue on 30 June 2022 and were signed on its behalf by:

Sharon Segal
Chairman

The accompanying accounting policies and notes on pages 18 to 32 form part of these financial statements.

Statement of changes in equity for the year ended to 31 December 2021

	Share Capital	Share Premium	Share based payment reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000
At 31 December 2019	**247**	**-**	**-**	**(177)**	**70**
(Loss) for the period	-	-	-	(92)	(92)
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income	**-**	**-**	**-**	**(92)**	**(92)**
Transactions with owners:					
Shares issued	-	-	-	-	-
Share issue costs	-	-	-	-	-
Total transactions with owners	**-**	**-**	**-**	**-**	**-**
At 31 December 2020	**247**	**-**	**-**	**(269)**	**(22)**
Loss for the period				(517)	(517)
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income				**(517)**	**(517)**
Transactions with owners:					
Shares issued	427	643	-	-	1,070
Share issue costs	-	(60)	-	-	(60)
Total transactions with owners	**427**	**583**	**-**	**-**	**1,010**
At 31 December 2021	**674**	**583**	**-**	**(786)**	**471**

The accompanying accounting policies and notes on pages 18 to 32 form part of these financial statements.

Pharma C Investments Plc

Statement of cash flows for the year ended 31 December 2021

	Year ended 31 December 2021 £'000	Year ended 31 December 2020 £'000
Cash flows from operating activities		
(loss) before tax	(517)	(92)
Share based payments		50
Decrease/(Increase) in trade and other receivables	(13)	(1)
(Decrease)/Increase in trade and other payables	34	7
Net cash outflow in operating activities	**(496)**	**(36)**
Investing activities		
Receipts on sale of investments	-	-
Payments on purchase of investments	(275)	-
Net cash inflow/(outflow) in investing activities	**(275)**	**-**
Financing activities		
Issue of share capital	1,070	-
Issue costs	(60)	-
Net cash (outflow)/inflow from financing activities	**1,010**	**-**
Net (decrease)/increase in cash and cash equivalents	**239**	**(36)**
Cash and cash equivalents at beginning of period	**8**	**44**
Cash and cash equivalents at end of period	**247**	**8**

The accompanying accounting policies and notes on pages 18 to 32 form part of these financial statements.

1 General information and Investing policy

Pharma C Investments Plc is public limited company domiciled in the United Kingdom and listed on AQUIS. The Company's registered office is 85 Portland Road, Great Portland Street, London, United Kingdom, W1W 7LT.

The Company's Investing Policy is to invest in and/or acquire companies and/or projects within companies that provide ancillary products and services which serve the Medicinal Cannabis sector, not just in Europe, but in markets globally (with a particular focus on the United Kingdom, Europe and Israel) that are internationally recognised as having well-developed and reputable laws and regulations for the research and production of Medicinal Cannabis, and that comply with the United Nations' Convention on Narcotic Drugs. The company also reserved the right to invest in products and services related to the production of Cannabis Based Medicinal Products (CBMPs) where appropriate.

Where appropriate, the Board may seek to invest in businesses where it may influence the business at a board level, add their expertise to the management of the business, and utilise their industry relationships and access to finance.

The Company's interests in an investment and/or acquisition may range from a minority position to full ownership and may comprise one investment or multiple investments. The investments may be in either quoted or unquoted companies; be made by direct acquisitions or farm-ins; and may be in companies, partnerships, earn-in joint ventures, debt or other loan structures, joint ventures or direct or indirect interests in assets or projects. The Board may focus on investments where intrinsic value may be achieved from the restructuring of investments or merger of complementary businesses.

The Board expects that investments will typically be held for the medium to long term, although short term disposal of assets cannot be ruled out if there is an opportunity to generate a return for Shareholders. The Board will place no minimum or maximum limit on the length of time that any investment may be held. The Company may be both an active and a passive investor depending on the nature of the individual investment. There is no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover under the AQUIS Rules. The Board intends to mitigate risk by appropriate due diligence and transaction analysis. Any transaction constituting a reverse takeover under the AQUIS Rules will also require Shareholder approval. The Board considers that, as investments are made and new investment opportunities arise, further funding of the Company may also be required.

Where the Company builds a portfolio of related assets, it is possible that there may be cross holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate. Investments in early stage assets are expected to be mainly in the form of equity, with debt potentially being raised later to fund the development of such assets. Investments in later stage assets are more likely to include an element of debt to equity gearing. The Board may also offer New Ordinary Shares by way of consideration as well as cash, thereby helping to preserve the Company's cash for working capital and as a reserve against unforeseen contingencies including, for example, delays in collecting accounts receivable, unexpected changes in the economic environment and operational problems.

Investments may be made in all types of assets and there will be no investment restrictions on the type of investment that the Company might make or the type of opportunity that may be considered. The Company may consider possible opportunities anywhere in the world.

The Board will conduct initial due diligence appraisals of potential business or projects and, where they believe further investigation is warranted, intend to appoint appropriately qualified persons to assist. The Board believes its expertise will enable it to determine quickly which opportunities could be viable and so progress quickly to formal due diligence. The Company will not have a separate investment manager.

2 Summary of Significant Accounting Policies

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements have been prepared in accordance with the Company's accounting policies approved by the Board and described below. Information on the application of these accounting policies, including areas of estimation and judgement is given in 'Key accounting judgements and estimates.' Where appropriate, comparative figures are reclassified to ensure a consistent presentation with current year information.

Basis of Preparation of Financial Statements

The financial statements have been prepared in accordance with the Companies Act 2006 and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) and related interpretations, as adopted by the Companies Act. The principal accounting policies adopted by the Company are set out below.

The Financial Statements are presented in Pounds Sterling (£'000) rounded to the nearest £'000. The preparation of financial statements in conformity with IFRSs 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 3

The financial statements have been prepared using the historical cost convention, as modified by the revaluation of certain items, as stated in the accounting policies.

New standards, amendments and interpretations adopted by the Company

(a) New and amended standards mandatory for the first time for the financial periods beginning on or after 1 January 2021

No new and/or revised Standards and Interpretations have been required to be adopted, and/or are applicable in the current year by/to the Company, as standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2021 are not material to the Company.

(b) New standards, amendments and interpretations in issue but not yet effective or not yet endorsed and not early adopted

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
IFRS Standards (amendments)	2018-2020 annual improvement cycle	1 January 2022
IAS 8	Accounting estimates	1 January 2023
IAS 1	Classification of Liabilities as Current or Non-Current.	1 January 2023

The Company is 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 Company's results or shareholders' funds.

Going Concern

The Directors noted the losses that the Company has made for the Year Ended 31 December 2021. The Directors have prepared cash flow forecasts which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Company remains as going concerns. At 31 December 2021, the Company had cash and cash equivalents of £249,099 and borrowings of £nil. The Company has minimal contractual expenditure commitments and the Board considers the present funds sufficient to maintain the working capital of the Company for a period of at least 12 months from the date of signing the Annual Report and Financial Statements. For these reasons the Directors adopt the going concern basis in the preparation of the Financial Statements.

The Company has adequately planned and, where relevant, put in place mitigation strategies for the impacts of COVID-19. The ongoing uncertainty around the pandemic may lead to short term market volatility and uncertain long-term impacts which may affect the Company's operations or future funding requirements.

Revenue and other income

Revenue is recognised when persuasive evidence of an arrangement exists, profit has derived from investments or services have been rendered, prices are fixed or determinable and there is a probability that economic benefits will flow to the Company. Realised profits or losses are recognised at the time in which a contract is entered into to sell and investment. Unrealised profits or losses are recognised when the fair value of financial investments is measured at each period end. Other income relates to services provided and is recognised at the time the service is delivered.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

The Company's activities give rise to some exposure to the financial risks of changes in interest rates and foreign currency exchange rates. The Company has no borrowings and is principally funded by equity, maintaining all its funds in bank accounts.

Financial assets

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

Fair Value through Profit or Loss (FVTPL)

This category comprises in-the-money derivatives and out-of-money derivatives where the time value offsets the negative intrinsic value. They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments, which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost

These assets comprise the types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses.

During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For the receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset, based on analysis of internal or external information. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

Financial investments

Non-derivative financial assets comprising the Company's strategic financial investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. These assets are classified as financial assets at fair value through profit or loss. They are carried at fair value with changes in fair value recognised through the income statement. Where there is a significant or prolonged decline in the fair value of a financial investment (which constitutes objective evidence of impairment), the full amount of the impairment is recognised in the income statement.

Listed investments are valued at closing bid price on 31 December 2021. Unlisted investments that are not publicly traded and whose fair value cannot be measured reliably, are measured at fair value through profit and loss. less impairment

Fair Value Measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are accounted for at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account the age of the debt, historical experience and general economic conditions. If a trade debt is determined to be uncollectable, it is written off, firstly against any provisions already held and then to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income.

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss in accordance with the expected credit loss model under IFRS 9. For trade and other receivables which do not contain a significant financing component, the Company applies the simplified approach. This approach requires the allowance for expected credit losses to be recognised at an amount equal to lifetime expected credit losses. For other debt financial assets the Company applies the general approach to providing for expected credit losses as prescribed by IFRS 9, which permits for the recognition of an allowance for the estimated expected loss resulting from default in the subsequent 12-month period. Exposure to credit loss is monitored on a continual basis and, where material, the allowance for expected credit losses is adjusted to reflect the risk of default during the lifetime of the financial asset should a significant change in credit risk be identified.

The majority of the Company's financial assets are expected to have a low risk of default. A review of the historical occurrence of credit losses indicates that credit losses are insignificant due to the size of the Company's clients and the nature of its activities. The outlook for the natural resources industry is not expected to result in a significant change in the Company's exposure to credit losses. As lifetime expected credit losses are not expected to be significant the Company has opted not to adopt the practical expedient available under IFRS 9 to utilise a provision matrix for the recognition of lifetime expected credit losses on trade receivables. Allowances are calculated on a case-by-case basis based on the credit risk applicable to individual counterparties.

Financial liabilities
The Company's financial liabilities include trade and other payables.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Trade and other payables
After initial recognition, trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to trade and other payables.

Derecognition
A financial liability is derecognised when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is

treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss and other comprehensive income.

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

The fair values for the Company's assets and liabilities are not materially different from their carrying values in the financial statements.

Equity

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

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

Retained earnings include all current and prior period results as disclosed in the income statement.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks.

Foreign exchange

Transactions in currencies other than Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement for the period.

Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax represents the tax expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company has reoccurring tax losses which can be used to offset future profits. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. No deferred tax asset has been recognised in the current year.

Impairment of non-current assets

The carrying values of all non-current assets are reviewed for impairment when there is an indication that the assets might be impaired. Any provision for impairment is charged to the statement of comprehensive income in the year concerned.

Impairment losses on other non-current assets are only reversed if there has been a change in estimates used to determine recoverable amounts and only to the extent that the revised recoverable amounts do not exceed the carrying values that would have existed, net of depreciation or amortisation, had no impairments been recognised.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation

Share based payments

The Company issues equity-settled share-based benefits to employees. All equity-settled share-based payments are ultimately recognised as an expense in profit or loss with a corresponding credit to reserves.

Share-based payments relating to the subsidiary company increase the carrying value of the investment in the subsidiary and are included in the loss on disposal of the subsidiary.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

Upon exercise of any share options the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

3 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, as described in note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Unlisted 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. The Directors carried out an impairment review as at 31 December 2021, and determined that the investment was only recently acquired and no impairment indictors were identified during their review and from discussions with management of the Investee. Gavin Hilary Sathianathan, a Director of the Company, is also an appointed director of the Investee to monitor the Company's investment.

4 Segmental information

Segmental analysis is not applicable as there is only one operating segment of the continuing business – investment activities. The performance measure of investment activities is considered by the Board to be profitability and is disclosed on the face of the statement of comprehensive Income. The Board will continually review the segmental analysis of the business on an ongoing basis and at each reporting date.

5 Operating Loss

	Year to 31 Dec 2021 £'000	Year to 31 Dec 2020 £'000
Operating loss is stated after charging:		
General administration expenditure	**36**	1
Audit and accountancy	**39**	14
Consultancy	**92**	27
Directors fees	**144**	50
Listing Costs	**207**	-
	517	92

In addition to auditors' remuneration shown above, the auditors received the following fees

	2021 £'000	2020 £'000
Fees payable to the Company's auditor for:		
Audit of the Company Financial Statements	**20**	11
Non-audit fees – other assurance in connection with listing	**14**	-
Non-audit fees - tax	**3**	3
	37	14

Information on Directors and employees

2021	**Fees and salaries £'000**	**Total £'000**
Sharon Segal	15	15
Gavin Hilary Sathianathan	43	43
Toby Waldock Shillioto	10	10
Nicola Anne Greenberg – fees	47	47
Nicola Anne Greenberg – loss of office	22	22
Er's NIC	7	7
	144	144

2020	**£'000**	**£'000**
Sharon Segal	-	-
Gavin Hilary Sathianathan	50	50
Toby Waldock Shillioto	-	-
Nicola Anne Greenberg	-	-
	50	50

There were are no employees other than directors

7 Taxation

	Year to 31 Dec 2021 £'000	Year to 31 Dec 2020 £'000
Total current tax	**-**	-

	2021 £'000	2020 £'000
Profit/(Loss) on ordinary activities before tax	**(517)**	(92)
UK Corporation Tax @ 19% (2020: 19%)	**(98)**	(17)
Factors affecting charge for the period:		
Tax losses carried forward	**98**	17
Current tax charge for the period	**-**	-

the Company has not recognised a deferred tax asset in the financial statements as there is no certainty that taxable profits will be available against which these assets could be utilised.

8 Earnings/(loss) per share

The calculation of loss per share is based on the loss after taxation divided by the weighted average number of shares in issue during the period:

	2021 £'000	2020 £'000
Net Profit/(loss) after taxation (£000's)	**(517)**	(92)
Number of shares	**-**	-
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share (millions)	**212,322,897**	99,000,001
Basic earnings/(loss) per share (expressed in pence)	**(0.24p)**	(0.09p)
diluted earnings/(loss) per share (expressed in pence)	**(0.24p)**	(0.09p)

9 Financial investments

Financial assets at fair value through profit or loss:	£000	£000	£000
	Level 1	**Level 2**	**Level 3**
Fair Value at 1 January 2020	-	-	-
Additions	-	-	-
Fair value changes	-	-	-
(Loss) on disposals	-	-	-
Disposal	-	-	-
Impairment provision	-	-	-
Foreign Exchange	-	-	-
Fair Value at 31 December 2020	-	-	-
Additions	-	-	275
Fair value changes	-	-	-
(Loss)/Gains on disposals	-	-	-
Transfer to level 1	-	-	-
Disposal	-	-	-
Impairment provision	-	-	-
Foreign Exchange	-	-	-
Fair Value at 31 December 2021	-	-	**275**
The financial assets splits are as below:			
Current assets - listed	-	-	-
Current assets - unlisted	-	-	**275**
Total	-	-	**275**

Gains on investments held at fair value through profit or loss				
Fair value gain on investments	-	-	-	-
Realised gain on disposal of investments	-	-	-	-
Net gain on investments held at fair value through profit or loss	-	-	-	-

Level 1 represents those assets, which are measured using unadjusted quoted prices for identical assets.
Level 2 applies inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices).
Level 3 applies inputs, which are not based on observable market data.

The Directors carried out an impairment review as at 31 December 2021, and determined that the investment was only recently acquired and no impairment indictors were identified during their review and from discussions with management of the Investee. Gavin Hilary Sathianathan, a Director of the Company, is also an appointed director of the Investee to monitor the Company's investment.

Financial investments comprise investments in unlisted Companies and are held by the Company as a mix of strategic and short-term investments.

Fair value hierarchy of financial assets at fair value through profit or loss.

Financial investments comprise investments in listed and unlisted securities which are traded on stock markets throughout the world and are held by the Company as a mix of strategic and short term investments.

Income from these investments was £nil for dividends received for the year to 31 December 2021 (2020: £nil)

10 Trade and other receivables	**31 December 2021 £'000**	31 December 2020 £'000
Current trade and other receivables		
Other debtors		
Prepayments & accrued income	**20**	7
Total	**20**	7

The carrying value of receivables approximates their fair value.

11 Trade and other payables	**31 December 2021 £'000**	31 December 2020 £'000
Current trade and other payables		
Trade creditors	**17**	11
Other creditors	**-**	-
Taxation and social security	**5**	-
Accruals	**49**	26
Total	**71**	37

12 Share capital	**Ordinary Shares Number**	**Share Premium Value £**	**Nominal Value £**
At 31 December 2019	**99,000,000**	**-**	**247,500**
At 31 December 2020	**99,000,000**	-	247,500
At 31 December 2020 (£000)		**-**	**247**
At 1 January 2021	**99,000,000**	**-**	**247,500**
On 19 March 2021 – 12,000,000 shares at 0.0025 per share	12,000,000	-	30,000
On 19 March 2021 – 12,000,000 shares at 0.0025 per share	12,000,000	-	30,000
On 19 March 2021 – 4,000,000 shares at 0.0025 per share	4,000,000	-	10,000
On 27 May 2021 – 142,857,143 shares at 0.0070 per share, less issue costs of £60,000	142,857,143	582,857	357,143
At 31 December 2021	269,857,143	582,857	674,643
At 31 December 2021 (£000)		**583**	**674**

13 Financial instruments

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

The Company reports in Sterling. Internal and external funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors. The Company does not use derivative financial instruments such as forward currency contracts, interest rate and currency swaps or similar instruments. The Company does not issue or use financial instruments of a speculative nature.

Capital management

The Company's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders.

Capital management

The capital structure of the Company consists of total shareholders' equity as set out in the 'Statement of changes in equity'. All working capital requirements are financed from existing cash resources.

Capital is managed on a day to day basis to ensure that all entities in the Company are able to operate as a going concern. Operating cash flow is primarily used to cover the overhead costs associated with operating as an AQUIS listed company.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Directors consider that there is no significant liquidity risk faced by the Company. The Company maintains sufficient balances in cash to pay accounts payable and accrued expenses.

The Board receives forward looking cash flow projections at periodic intervals during the year as well as information regarding cash balances. At the balance sheet date the Company had cash balances of £247,000 and the financial forecasts indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to establish overdraft or other borrowing facilities.

Interest rate risk

As the Company has no borrowings, it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Cash resources are held in current, floating rate accounts.

Market risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Company's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Company might suffer through holding its financial investment portfolio in the face of market movements, which was a maximum of £275,000 (2020: £nil).

The investments in equity of non- quoted companies that the Company holds are less frequently traded than shares in more widely traded securities. Consequently, the valuations of these investments can be more volatile.

If there were to be a 20% movement in the investment held at 31 December 2021, the impact to the other comprehensive earnings and net asset value would be £55,000 (2020:£nil). The impact of a change of 20% has been selected as this is considered reasonable given the current level of volatility observed and assumes a market value is attainable for the Company's unlisted investments.

Currency risk
The Directors consider that there is no significant currency risk faced by the Company as the Company has not had any foreign currency transactions in the year (2020:nil)

Credit risk
Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Company. The Company's maximum exposure to credit risk is:

	2021	**2020**
	£000	**£000**
Cash at bank	247	8
Other receivables	20	7
	267	**15**

The Company's cash balances are held in accounts with Revolut

Fair value of financial assets and liabilities
Financial assets and liabilities are carried in the Statement of Financial Position at either their fair value (financial investments) or at a reasonable approximation of the fair value (trade and other receivables, trade and other payables and cash at bank).

The fair values are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Trade and other receivables
The following table sets out the fair values of financial assets within Trade and other receivables.

	2021	**2020**
Financial assets (Note 12)	**£000**	**£000**
Trade and other receivables - Non interest earning	20	7

There are no financial assets which are past due and for which no provision for bad or doubtful debts has been made.

Trade and other payables
The following table sets out financial liabilities within Trade and other payables. These financial liabilities are predominantly non-interest bearing. Other liabilities include tax and social security payables and provisions which do not constitute contractual obligations to deliver cash or other financial assets.

	2021	**2020**
Financial liabilities (Note 13)	**£000**	**£000**
Trade and other payables	71	37

14 Capital Commitments & Contingent Liabilities

There are no non-cancellable capital commitments as at the balance sheet date. The Company has no contingent liabilities at the balance sheet date.

15 Related Party Transactions

During the year the Company paid £18,000 for consultancy services from GHS Capital Ltd, a company for which Gavin Sathianathan is the sole director and substantial shareholder.

The Company also paid £2,430.55 (2020:£nil) for consultancy services from Kingsgate Consultancy Ltd, a company for which Sharon Segal is the sole director and shareholder.

During the prior year, the Company paid £27,000 for Consultancy services from Alta Flora Limited, a company for which Gavin Sathianathan is the CEO and majority shareholder.

16 Ultimate control

The Company has no individual controlling party.

17 Events after the end of reporting period

In March 2022, Pharma C completed an investment of £100,000 in Celadon Pharmaceuticals, a UK-based producer of Cannabis Based Medicinal Products (CBMPs)

In June 2022, Pharma C raised an investment of £200,000 via a subscription at a price of 0.25p