

SATIPHARM EUROPE LTD

**Company Registration Number:
10344288 (England and Wales)**

Unaudited statutory accounts for the year ended 31 August 2020

Period of accounts

Start date: 1 September 2019

End date: 31 August 2020

SATIPHARM EUROPE LTD

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Balance sheet notes

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Balance sheet

As at 31 August 2020

	<i>Notes</i>	<i>2020</i>	<i>2019</i>
		£	£
Current assets			
Stocks:	3	1,053,403	96,274
Debtors:	4	33,837	260,778
Total current assets:		<u>1,087,240</u>	<u>357,052</u>
Creditors: amounts falling due within one year:	5	(1,572,043)	(583,744)
Net current assets (liabilities):		<u>(484,803)</u>	<u>(226,692)</u>
Total assets less current liabilities:		<u>(484,803)</u>	<u>(226,692)</u>
Total net assets (liabilities):		<u>(484,803)</u>	<u>(226,692)</u>
Capital and reserves			
Called up share capital:		100	100
Profit and loss account:		(484,903)	(226,792)
Total Shareholders' funds:		<u>(484,803)</u>	<u>(226,692)</u>

The notes form part of these financial statements

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Balance sheet statements

For the year ending 31 August 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The directors have chosen not to file a copy of the company's profit and loss account.

**This report was approved by the board of directors on 12 February 2021
and signed on behalf of the board by:**

Name: Jonathan Hartshorn
Status: Director

The notes form part of these financial statements

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Notes to the Financial Statements

for the Period Ended 31 August 2020

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Other accounting policies

Going concern The accounts have been prepared on the going concern basis which assumes that the company will be able to meet its liabilities as they fall due. The company incurred a loss of £258,111 for the financial year ended 31 August 2020 (2019: £202,095) and had a shareholders deficit of £484,803 (2019: £226,692). These conditions raise substantial doubt over the ability of the Company to continue as a going concern. The company is currently reliant on financial support from the Parent Company, Harvest One Cannabis Inc. Harvest One Cannabis Inc. is in the final stages of selling the company and wider group to The Cann Group. This sale is expected to be finalised in Q1 2021 and it is anticipated that The Cann Group will provide adequate financial support subsequent to the sale. In addition, the current global economic impact of the Covid-19 pandemic gives rise to uncertain trading conditions, particularly in the retail sector. The forecasting of future cash requirements of the company, which is still in the early growth stage, as well as the wider group, remains uncertain. The directors conclude that the matters referred to above indicate the existence of material uncertainties that may cast significant doubt on the company's ability to continue as a going concern. Management have prepared detailed projections for a period of at least 12 months from the date of approval of the financial statements. These projections show the company increasing revenue significantly due to the expansion of the existing food supplements business, after signing an agreement to list in the second largest pharmacy chain in the UK, continued growth in sales through the largest food supplement chain in the UK and numerous other new accounts coming on line, all of which indicates they will be able to sustain their operations for the next twelve months. The planned submission of a validated Novel Food Application to the UK Food Safety Agency ("FSA") will ensure Satipharm CBD products remain on the UK market post March 2021, after which the UK FSA may enforce the removal of other companies' invalidated products from sale. Management also continues to assess opportunities to expand their in-store presence in European and other international markets where regulations allow. Further, the acquisition of Satipharm by The Cann Group will provide the facilities and resources to enable the company to formulate EU-GMP THC products for sale into medical markets, thereby strengthening their portfolio. The financial statements are prepared on a going concern assumption, which assumes that the Company will have sufficient resources to enable it to meet its liabilities as they fall due. They do not include any adjustments that would be necessary if this basis were inappropriate.

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Notes to the Financial Statements for the Period Ended 31 August 2020

2. Employees

	<i>2020</i>	<i>2019</i>
Average number of employees during the period	0	0

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Notes to the Financial Statements for the Period Ended 31 August 2020

3. Stocks

	<i>2020</i>	<i>2019</i>
	£	£
Stocks	1,053,403	96,274
Total	<u>1,053,403</u>	<u>96,274</u>

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Notes to the Financial Statements for the Period Ended 31 August 2020

4. Debtors

	<i>2020</i>	<i>2019</i>
	£	£
Trade debtors	18,357	256,651
Prepayments and accrued income	15,000	3,875
Other debtors	480	252
Total	<u>33,837</u>	<u>260,778</u>

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Notes to the Financial Statements

for the Period Ended 31 August 2020

5. Creditors: amounts falling due within one year note

	<i>2020</i>	<i>2019</i>
	£	£
Trade creditors	57,061	7,832
Accruals and deferred income	32,670	58,068
Other creditors	1,482,312	517,844
Total	<u>1,572,043</u>	<u>583,744</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.