

Company registration number 10344288 (England and Wales)

SATIPHARM EUROPE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
PAGES FOR FILING WITH REGISTRAR

SATIPHARM EUROPE LIMITED

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SATIPHARM EUROPE LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Current assets					
Stocks		904,896		704,044	
Debtors	4	4,952		78,226	
Cash at bank and in hand		456		-	
		<u>910,304</u>		<u>782,270</u>	
Creditors: amounts falling due within one year	5	<u>(2,751,887)</u>		<u>(1,877,941)</u>	
Net current liabilities			<u>(1,841,583)</u>		<u>(1,095,671)</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>(1,841,683)</u>		<u>(1,095,771)</u>
Total equity			<u>(1,841,583)</u>		<u>(1,095,671)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 31 March 2024 and are signed on its behalf by:

J D Hartshorn
Director

S Notaro
Director

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SATIPHARM EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2021	100	(1,055,903)	(1,055,803)
Year ended 30 June 2022:			
Loss and total comprehensive income	-	(39,868)	(39,868)
Balance at 30 June 2022	100	(1,095,771)	(1,095,671)
Year ended 30 June 2023:			
Loss and total comprehensive income	-	(745,912)	(745,912)
Balance at 30 June 2023	100	(1,841,683)	(1,841,583)

SATIPHARM EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Satipharm Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is First Floor, 10 Queen Street Place, London, United Kingdom, EC4R 1BE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements 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 net loss of £745,912 in the year ended 30 June 2023 (2022: £39,868) and as at 30 June 2023 has net liabilities of £1,841,583 (2022: £1,095,671).

The Company is currently reliant on financial support from the ultimate parent company, Cann Group Limited. Cann Group Limited has confirmed they intend to provide adequate financial support to the Company for at least 12 months from the date of signing the financial statements to the extent the Company has insufficient resources to itself meet the liabilities. Management has reviewed the financial statements and cash position of Cann Group and consider the going concern assessment appropriate.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

SATIPHARM EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

SATIPHARM EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	3	3

4 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	3,296	78,226
Other debtors	1,656	-
	4,952	78,226

SATIPHARM EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

5 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	13,081	17,673
Amounts owed to group undertakings	2,715,857	1,824,795
Taxation and social security	-	12,845
Other creditors	22,949	22,628
	<u>2,751,887</u>	<u>1,877,941</u>

6 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter

When forming our opinion on the company's assertion that it is appropriate to prepare the financial statements on a going concern basis, we have placed significant reliance on the assertion made by the ultimate parent company, Cann Group Limited, that it can continue to support Satipharm Europe Limited so it can meet all its liabilities as they fall due for a minimum of 12 months from the date of this audit report.

Senior Statutory Auditor:	Thomas Hornbuckle BA(Hons) FCA
Statutory Auditor:	Afford Bond Holdings Limited

7 Related party transactions

The company has availed of the exemption under FRS 102 Section 33 Related Party Disclosures from disclosing transactions with members of the same group that are wholly owned.

8 Parent company

Satipharm Europe Limited is a wholly owned subsidiary of Satipharm AG, a company incorporated in Switzerland. Satipharm AG is in turn wholly owned by Cann Group Limited, a company incorporated in Australia.

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.