Registered number: 11540240

Avida Global Limited

Directors' Report, Strategic Report and

Unaudited Consolidated Financial Statements

For the Year Ended 31 December 2021

FRIDAY
ABIIN3YZ
A13 09/12/2022 #268
COMPANIES HOUSE

Avida Global Limited

Contents

Avida Global Limited

Chartered Accountants' Report to the Board of Directors on the preparation of the Consolidated Unaudited Statutory Financial Statements of Avida Global Limited for the Year Ended 31 December 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the Consolidated Unaudited Financial Statements of Avida Global Limited (the "parent company") for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Statement of Cashflow, and the related notes from the Company's accounting records and from information and explanations you have provided to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are 'subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance/.

This report is made solely to the Board of Directors of Avida Global Limited, as a body, in accordance with the terms of our engagement letter dated 17 October 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Avida Global Limited and state those matters that we have agreed to state to the Board of Directors of Avida Global Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest 'extent permitted by law, we do not accept or assume responsibility to anyone other than Avida Global Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Avida Global Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Avida Global Limited. You consider that Avida Global Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Avida Global Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kreston Reeves LLP

....

Kreston Reeves LLP
Chartered Accountants
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Date: 6 December 2022

Avida Global Limited

Company Information

Directors	C J Haffner (resigned 29 June 2022) D C Kirby Lord B L S Mancroft P J Ryan-Bell W J Handley (appointed 21 September 2022)
Company secretary	P J Ryan-Bell
Registered number	11540240
Registered office	Genesis House Merrow Lane Guildford Surrey GU4 7BN
Accountants	Kreston Reeves LLP Springfield House Springfield Road Horsham West Sussex RH12 2RG

Group Strategic Report
For the Year Ended 31 December 2021

Introduction

The directors present their strategic report together with the consolidated financial statements of Avida Global Ltd (the "Company") and its subsidiaries (together the "Group" or "Avida") for the year ended 31 December 2021.

Business review

The Group's principal business is the cultivation and refining of cannabis for the medicinal, nutraceutical and cosmetics markets although in October 2021, Avida acquired a new subsidiary, Avida Labs Limited; a UK company focused on the manufacturing of CBD products for third party brands in addition to the manufacture and distribution of Green Stem CBD.

The Group was founded in August 2018 and its strategy for 2021 was to complete the construction of a cultivation and production facility in North East Colombia, begin cultivation and production of medicinal cannabis products and begin commercial sales. In addition, the Group began an acquisition strategy in order to give access to the full value chain of medicinal and wellness cannabis.

The Group, via its Colombian subsidiary, owns a long-term lease with five year extension options on a piece of land in North East Colombia where it built a facility to cultivate and process medicinal cannabis for the domestic and international markets. In addition, via Avida Labs Limited, the Group began the construction of a UK manufacturing facility for the purpose of producing CBD products for UK customers.

The Group made significant progress during 2021 as follows:

- Closed £1.7m debt funding and £2.4m equity funding
- Completed the construction of the facility in North East Colombia and began commercial harvests
- Strengthened the commercial team with the completion of several key hires in the UK and Colombia
- Commenced on an acquisition strategy and completed the acquisition of Avida Labs Limited

The Group's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Net Assets	£	4,116,987	2,774,881
Loss from Operations	£	(2,541,251)	(1,922,975)

All key performance indicators have been calculated on the Group's continuing businesses.

Principal risks and uncertainties

The directors believe that the main uncertainties faced by the Group relate to the Group's ability to sustainably generate positive cashflows from their sales activities in Latin America and Europe. Whilst the directors are confident of the Group's ability to generate large positive cashflows in the medium to long term, it is expected that there will be challenges in transitioning from a pre-revenue infrastructure build to being a business capable of executing high value sales consistently, generating sufficient cash in order to meet the running costs of the business.

Notwithstanding the risks outlined, the Group is confident that it will be successful in producing sufficient volumes of high quality cannabis products and building a sales and execution team capable of exploiting a rapidly growing market.

This report was approved by the board and signed on its behalf.

W J Handley

W J Handley
Director
Date: 5 DECEMBER 2022

Directors' Report
For the Year Ended 31 December 2021

The directors present their report together with the consolidated financial statements of Avida Global Ltd (the "Company") and its subsidiaries (together the "Group" or "Avida") for the year ended 31 December 2021.

Directors

The directors who served during the year were:

C J Haffner (resigned 29 June 2022)
D C Kirby
Lord B L S Mancroft
P J Ryan-Bell

Principal activity

The principal activity of the Company is that of a holding company for its subsidiaries in the UK and Colombia, which it provides management services to.

The Group's principal activity is the cultivation and refining of cannabis for the medicinal, nutraceutical and cosmetics markets in addition to the manufacturing of CBD wellness products for customers in the UK.

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £2,654,525 (2020 - loss £1,829,005).

The consolidated income statement and the consolidated statement of comprehensive income show the loss for the financial year.

The Company did not pay any dividends during the 2021 financial year.

Principal risk and uncertainties - objectives and policies

The Group's financial risk management policies are designed to reduce the risk of liquidity and credit risk exposure. The Group's principal financial instruments comprise cash at bank and creditors.

The Group manages its cash flow to ensure it has sufficient funds to meet its liabilities as they fall due for payment. Debtors are monitored on an on-going basis and at the year-end there are no significant concerns of credit risk in the Group.

Credit risk, liquidity risk and currency risk

The Group's operations expose it to a variety of financial risks including the effects of changes in credit risk, lliquidity risk and currency risk.

With the exception of currency risk the Group does not have any material exposures in any of these areas and, consequently, does not use derivative instruments to manage these exposures. The Group's principal financial instruments comprise sterling cash and bank deposits, together with trade creditors that arise directly from its operations.

The main risks arising from the Group's financial instruments can be analysed as follows:

Foreign currency risk
The Group has some exposure to foreign currency risk as its primary supplies are purchased in Colombian Pesos and US Dollars. The Group manages this risk by holding funds in multiple currencies and entering into hedge agreements where appropriate.

Liquidity risk
The Group is funded by shareholder's funds. The Group is reliant on continued access to equity capital from existing and new shareholders in the period prior to becoming free cash flow positive.

Directors' Report (continued)
For the Year Ended 31 December 2021

Future developments

Due to a number of operational, strategic and management issues, the Group has failed to execute substantial sales of its product from its facility in Colombia. This fact, aligned with the fact that Avida Labs Limited has seen a successful first year of trading as a subsidiary of Avida which is forecast to grow substantially; and the forecast success of its new acquisition means that the Group is increasing its focus on the domestic and European markets and is considering whether to undergo a restructure.

The Group has also undergone another capital raise, raising c. £4.1m in debt and equity funding since the end of the 2021 financial year in order to bolster its working capital position and in order to fund the capital expenditure required to complete the acquisition of BCM Specials Limited in December 2022 and complete the fitout of a new facility.

The Group continues to explore M&A opportunities in the UK and overseas in order to position itself as a vertically integrated cannabis platform able to operate at every stage of the value chain.

Going concern

The financial statements have been prepared on a going concern basis. While the impact of the Covid-19 virus has been assessed by the directors, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potentlai outcomes on the Company and Group's trade, its customers, and suppliers. However, taking into consideration the UK Government's response and the group's planning, the directors have a reasonable expectation that the Group and Company is able to pay all current liabilities as they fall due and will continue in operational existence far the foreseeable future.

Avida Global Limited

Directors' Report (continued)
For the Year Ended 31 December 2021

Directors' responsibilities statement

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 Group and to prevent and detect fraud and other irregularities.

This report was approved by the board and signed on its behalf.

W J Handley
Director
Date: 5 DECEMBER 2022

Avida Global Limited

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Revenue	5	**461,842**	-
Cost of sales		**(282,008)**	-
Gross profit		**179,834**	-
Other operating income	6	**1,250**	-
Administrative expenses		**(2,722,335)**	(1,922,975)
Loss from operations		**(2,541,251)**	(1,922,975)
Finance income		**278**	212
Finance expense		**(155,484)**	(3,101)
Loss before tax		**(2,696,457)**	(1,925,864)
Tax credit	11	**22,278**	96,859
Loss for the year		**(2,674,179)**	(1,829,005)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		**(196,536)**	(3)
Total comprehensive income for the year		**(2,870,715)**	(1,829,008)
Loss for the year attributable to:			
Owners of the parent		**(2,654,525)**	(1,773,019)
Non-controlling interests		**(19,654)**	(55,986)
		(2,674,179)	(1,829,005)
Total comprehensive income attributable to:			
Owners of the parent		**(2,851,061)**	(1,773,022)
Non-controlling interests		**(19,654)**	(55,986)
		(2,870,715)	(1,829,008)

The notes on pages 18 to 49 form part of these financial statements.

Avida Global Limited
Registered number: 11540240

Consolidated Statement of Financial Position
As at 31 December 2021

	Note	2021 £	2020 £
Assets			
Non-current assets			
Property, plant and equipment	12	**3,104,727**	1,506,718
Intangible assets	13	**2,519,019**	216,106
		5,623,746	1,722,824
Current assets			
Inventories	15	**1,676,491**	30,212
Trade and other receivables	16	**945,945**	214,397
Derivative financial assets		**1,858**	-
Cash and cash equivalents	29,19	**201,802**	1,080,674
		2,826,096	1,325,283
Total assets		**8,449,842**	3,048,107
Liabilities			
Non-current liabilities			
Loans and borrowings	18	**1,537,769**	46,857
		1,537,769	46,857
Current liabilities			
Trade and other liabilities	17	**1,141,891**	223,226
Loans and borrowings	18	**1,653,195**	3,143
		2,795,086	226,369
Total liabilities		**4,332,855**	273,226
Net assets		**4,116,987**	2,774,881

Avida Global Limited
Registered number: 11540240

Consolidated Statement of Financial Position (continued)
As at 31 December 2021

	Note	2021 £	2020 £
Issued capital and reserves attributable to owners of the parent	21		
Share capital	20	**4,554**	3,550
Share premium reserve	21	**9,157,792**	5,234,957
Foreign exchange reserve	21	**(197,567)**	(1,031)
Other reserves	21	**509,227**	220,245
Retained earnings	21	**(5,261,639)**	(2,607,114)
		4,212,367	2,850,607
Non-controlling interest		**(95,380)**	(75,726)
TOTAL EQUITY		**4,116,987**	2,774,881

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to the companies subject to the small companies regime.

The financial statements on pages 7 to 49 were approved and authorised for issue by the board of directors and were signed on its behalf by:

W J Handley
Director
Date: 5 DECEMBER 2022

The notes on pages 18 to 49 form part of these financial statements.

Avida Global Limited
Registered number: 11540240

Company Statement of Financial Position
As at 31 December 2021

	Note	2021 £	2020 £
Assets			
Non-current assets			
Property, plant and equipment	12	**1,686,725**	1,020,321
Intangible assets	13	**175,105**	194,400
Investments	14	**2,616,114**	3,413
		4,477,944	1,218,134
Current assets			
Trade and other receivables	16	**4,374,890**	1,432,747
Derivative financial assets		**1,858**	-
Cash and cash equivalents	29,19	**3,810**	1,076,426
		4,380,558	2,509,173
Total assets		**8,858,502**	3,727,307
Liabilities			
Non-current liabilities			
Loans and borrowings	18	**1,283,241**	46,857
		1,283,241	46,857
Current liabilities			
Trade and other liabilities	17	**478,305**	144,570
Loans and borrowings	18	**1,501,759**	3,143
		1,980,064	147,713
Total liabilities		**3,263,305**	194,570
Net assets		**5,595,197**	3,532,737

Avida Global Limited
Registered number: 11540240

Company Statement of Financial Position (continued)
As at 31 December 2021

	Note	2021 £	2020 £
Issued capital and reserves attributable to owners of the parent	21		
Share capital	20	**4,554**	3,550
Share premium reserve	21	**9,157,792**	5,234,957
Other reserves	21	**509,227**	220,245
Retained earnings	21	**(4,076,376)**	(1,926,015)
TOTAL EQUITY		**5,595,197**	3,532,737

The Company's loss for the year was £2,150,361 (2020 - £1,269,507).

For the year ending 31 December 2021 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to the companies subject to the small companies regime.

The financial statements on pages 7 to 49 were approved and authorised for issue by the board of directors and were signed on its behalf by:

W J Handley

W J Handley
Director
Date: 5 DECEMBER 2022

The notes on pages 18 to 49 form part of these financial statements.

Avida Global Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021

	Share capital	Share premium	Foreign exchange reserve	Other reserves	Retained earnings	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2021	3,550	5,234,957	(1,031)	220,245	(2,607,114)	2,850,607	(75,726)	2,774,881
Comprehensive income for the year								
Loss for the year	-	-	-	-	(2,654,525)	(2,654,525)	(19,654)	(2,674,179)
Foreign currency translation losses	-	-	(196,536)	-	-	(196,536)	-	(196,536)
Total comprehensive income for the year	-	-	(196,536)	-	(2,654,525)	(2,851,061)	(19,654)	(2,870,715)
Contributions by and distributions to owners								
Issue of share capital	1,004	3,815,551	-	-	-	3,816,555	-	3,816,555
Equity share options issued	-	-	-	396,266	-	396,266	-	396,266
Transfer between equity	-	107,284	-	(107,284)	-	-	-	-
Total contributions by and distributions to owners	1,004	3,922,835	-	288,982	-	4,212,821	-	4,212,821
At 31 December 2021	**4,554**	**9,157,792**	**(197,567)**	**509,227**	**(5,261,639)**	**4,212,367**	**(95,380)**	**4,116,987**

The notes on pages 18 to 49 form part of these financial statements.

Avida Global Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2020

	Share capital	Share premium	Foreign exchange reserve	Other reserves	Retained earnings	Total attributable to equity holders of parent	Non-controlling interest	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2020	2,552	2,051,159	(1,028)	11,302	(834,095)	1,229,890	(19,740)	1,210,150
Comprehensive income for the year								
Loss for the year	-	-	-	-	(1,773,019)	(1,773,019)	(55,986)	(1,829,005)
Foreign currency translation losses	-	-	(3)	-	-	(3)	-	(3)
Total comprehensive income for the year	-	-	(3)	-	(1,773,019)	(1,773,022)	(55,986)	(1,829,008)
Contributions by and distributions to owners								
Issue of share capital	998	3,093,500	-	-	-	3,094,498	-	3,094,498
Equity share options issued	-	-	-	299,241	-	299,241	-	299,241
Transfer between equity	-	90,298	-	(90,298)	-	-	-	-
Total contributions by and distributions to owners	998	3,183,798	-	208,943	-	3,393,739	-	3,393,739
At 31 December 2020	**3,550**	**5,234,957**	**(1,031)**	**220,245**	**(2,607,114)**	**2,850,607**	**(75,726)**	**2,774,881**

The notes on pages 18 to 49 form part of these financial statements.

Avida Global Limited

Company Statement of Changes in Equity
For the Year Ended 31 December 2021

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2021	3,550	5,234,957	220,245	(1,926,015)	3,532,737
Comprehensive income for the year					
Loss for the year	-	-	-	(2,150,361)	(2,150,361)
Total comprehensive income for the year	-	-	-	(2,150,361)	(2,150,361)
Contributions by and distributions to owners					
Issue of share capital	1,004	3,815,551	-	-	3,816,555
Equity share options issued	-	-	396,266	-	396,266
Transfer between equity	-	107,284	(107,284)	-	-
Total contributions by and distributions to owners	1,004	3,922,835	288,982	-	4,212,821
At 31 December 2021	**4,554**	**9,157,792**	**509,227**	**(4,076,376)**	**5,595,197**

The notes on pages 18 to 49 form part of these financial statements.

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2020	2,552	2,051,159	11,302	(656,508)	1,408,505
Comprehensive income for the year					
Loss for the year	-	-	-	(1,269,507)	(1,269,507)
Total comprehensive income for the year	-	-	-	(1,269,507)	(1,269,507)
Contributions by and distributions to owners					
Issue of share capital	998	3,093,500	-	-	3,094,498
Equity share options issued	-	-	299,241	-	299,241
Transfer between equity	-	90,298	(90,298)	-	-
Total contributions by and distributions to owners	998	3,183,798	208,943	-	3,393,739
At 31 December 2020	**3,550**	**5,234,957**	**220,245**	**(1,926,015)**	**3,532,737**

The notes on pages 18 to 49 form part of these financial statements.

Avida Global Limited

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss for the year		**(2,674,179)**	(1,829,005)
Adjustments for			
Depreciation, amortisation and impairment	12	**325,933**	41,890
Finance income		**(278)**	(212)
Equity settled share based payment transactions		**396,266**	299,241
Fair value hedge movements		**(4,959)**	3,101
Finance costs		**160,443**	-
Income tax expense	11	**(22,278)**	(96,859)
		(1,819,052)	(1,581,844)
Movements in working capital:			
Increase in trade and other receivables		**(453,943)**	(128,863)
Increase in inventories		**(1,400,041)**	(29,756)
Increase in trade and other payables		**319,948**	39,114
Income taxes paid		**22,278**	96,859
Net cash used in operating activities		**(3,330,810)**	(1,604,490)
Cash flows from investing activities			
Acquisition of subsidiary less cash acquired	28	**(1,021,947)**	-
Interest received		**278**	212
Acquisitions of property, plant and equipment		**(1,358,101)**	(918,371)
Acquisitions of intangible assets		**(8,380)**	(34,559)
Net cash used in investing activities		**(2,388,150)**	(952,718)
Cash flows from financing activities			
Issue of ordinary shares		**2,316,555**	3,094,498
Finance costs		**(19,890)**	-
Net changes in fair value of hedging instruments		**4,959**	(3,101)
Proceeds from bank borrowings		**-**	50,000
Other borrowings		**2,735,000**	-
Net cash from financing activities		**5,036,624**	3,141,397
Net cash (decrease)/increase in cash and cash equivalents		**(682,336)**	584,189
Cash and cash equivalents at the beginning of year		**1,080,674**	496,488
Exchange gain/(loss) on cash and cash equivalents		**(196,536)**	(3)
Cash and cash equivalents at the end of the year	29	**201,802**	1,080,674

Avida Global Limited

Company Statement of Cash Flows
For the Year Ended 31 December 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss for the year		**(2,150,361)**	(1,269,507)
Adjustments for			
Depreciation, amortisation and impairment	12	**228,087**	38,425
Finance costs		**154,570**	-
Finance income		**(278)**	(212)
Equity settled share based payment transactions		**396,266**	299,241
Fair value hedge movements		**(4,959)**	3,101
		(1,376,675)	(928,952)
Movements in working capital:			
Increase in trade and other receivables		**(2,944,001)**	(820,856)
Increase/(decrease) in trade and other payables		**193,181**	(19,902)
Cash generated from operations		**(4,127,495)**	(1,769,710)
Cash flows from investing activities			
Acquisition of subsidiary	28	**(1,112,700)**	-
Interest received		**278**	212
Acquisitions of property, plant and equipment		**(866,816)**	(752,270)
Acquisitions of intangible assets		**(8,380)**	(29,812)
Net cash used in investing activities		**(1,987,618)**	(781,870)
Cash flows from financing activities			
Issue of ordinary shares		**2,316,555**	3,094,498
Net changes in fair value of hedging instruments		**4,959**	(3,101)
Finance costs		**(14,017)**	-
Proceeds from bank borrowings		**-**	50,000
Proceeds from other borrowings		**2,735,000**	-
Net cash from financing activities		**5,042,497**	3,141,397
Net cash (decrease)/increase in cash and cash equivalents		**(1,072,616)**	589,817
Cash and cash equivalents at the beginning of year		**1,076,426**	486,609
Cash and cash equivalents at the end of the year	29	**3,810**	1,076,426

1. General information

The Company is a private company, limited by share capital, and incorporated and domiciled in England and Wales.

The address of the Company's registered office and principle place of business is:
Genesis House
Merrow Lane
Guildford
Surrey
GU4 7BN

The nature of the Group and the Company's operations and its principal activities are set out in the Strategic Report and the Directors' Report

Since incorporation, the Company and the Group have both continued to incur pre-trading expenditure.

The financial statements are presented in GBP and are rounded to the nearest £1.

2. Adoption of new and revised standards

New standards, interpretations and amendments effective

During the financial period, there were no new IFRSs or IFRIC interpretations that were effective for the first time that would be expected to have a material impact on the Group and the Company.

The following pronouncements have been adopted in the year and either had no impact on the financial statements or resulted in changes to presentation and disclosure only:

- Amendments to References to the Conceptual Framework (Various Standards)
- References to the Conceptual Framework; effective 1 January 2021

New standards, interpretations and amendments not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the group and the company, which have not been applied in these financial statements, were in issue but not yet effective:

- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); effective 1 January 2023
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37); effective 1 January 2022
- Annual improvements to the IFRs Standards 2018-2020 Cycle (Amendments to IFRS 1, IFR5 9, IFRS 16); effective 1 January 2022

None of the other standards, interpretations and amendments which are effective for periods beginning after 31 December 2021 and which have not been adopted early are expected to have a material effect on the financial statements.

3. Accounting policies

3.1 Statement of compliance

The Group and Company financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

3.2 Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below:

3.3 Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and under historical cost accounting rules.

The preparation of financial statements in conformity with international accounting standards in conformity with the requirements of the Companies Act 2006 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based an historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

These financial statements are presented in GBP because that is the currency of the primary economic environment in which the parent company operates.

3.4 Going concern

The financial statements have been prepared on a going concern basis. While the impact of the Covid-19 virus has been assessed by the directors, so far as reasonably possible, due to its unprecedented impact an the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the Company and Group's trade, its customers, and suppliers. However, taking into consideration the UK Govemment's response and the Group's planning, the directors have a reasonable expectation that the Group and Company is able to pay all current liabilities as they fall due and will continue in operational existence for the foreseeable future.

3. Accounting policies (continued)

3.5 Basis of consolidation

The group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2021.

No income statement is presented for the Company as permitted by section 408 of the Companies Act 2006. The Company made a loss after tax for the financial year of £2,150,361 (2020: £1,269,507).

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of a subsidiary incorporated and acquired during the period are included in the statement of comprehensive income from the date of incorporation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Inter-company transactions, balances and unrealised gains an transactions between the Company and its subsidiaries, which are related parties, are eliminated on full at consolidation.

Intro-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note 3.7) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3. Accounting policies (continued)

3.7 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see note 3.11); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

3. Accounting policies (continued)

3.8 Revenue

To determine whether to recognise revenue, the group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligatian(s) are satisfied

The transaction price for a contract excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other payables in the statement of financial position. Similarly, if the group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Group has however generated sales in the period under review from the sale of other manufacturing products. For the sale of manufacturing products revenue is recognised when the risks and rewards of ownership of the goods have transferred to the buyer which is usually at the point the customer has signed for delivery of the goods.

3.9 Foreign currency transactions and balances

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in GBP, which is the functional and presentational currency of the parent company. The functional and presentational currency of the subsidiary is Colombian Peso (COP).

In preparing the financial statements of the individual companies, transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences are recognised in profit or loss in the period in which they arise.

All other exchange differences are recognised in the statement of comprehensive income in the period in which they are incurred.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the statement of financial position date. Income and expense items are translated at the exchange rates prevailing at the dates of the transactions. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

3.10 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

3. Accounting policies (continued)

3.11 Share-based payments

Share-based payment transactions of the Company

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

3.12 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

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

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

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

3. Accounting policies (continued)

3.13 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. The Group and the Company recognises the carrying amount of property, plant and equipment, and the subsequent costs of replacing part of such items when there is an indication of future economic benefit. All other costs are recognised in the statement of comprehensive income as an expense as they are incurred.

At each reporting date the Group and the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Property, plant and equipment is not depreciated until it is available for use.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

Land and buildings	- 10	years straight line
Short-term leasehold property		
Plant, fixtures and equipment		
- Plant and equipment	3 - 5	years straight line
- Computer equipment	- 3	years straight line
- Fixtures and fittings	- 5	years straight line

3.14 Intangible assets

Intangible assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Amortisation

Other intangible fixed assets are not depreciated until they are brought into use.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Intellectual property	- 10	years straight line
Other intangible assets	- 2	years straight line
Goodwill	- 10	years straight line
Licences	- 5	years straight line

3.15 Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

3. Accounting policies (continued)

3.16 Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Across the Group cost is based on the cost of purchase, costs of conversion (direct labour and production overhead) and other costs incurred in bringing the inventories to their present location and condition on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs.

An allowance is recorded for obsolescence.

3.17 Trade and other receivables

Trade and other receivables are recognised initially at the transaction price less impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits with financial institutions repayable without penalty in notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. This definition is also used for the statement of cash flows.

3.19 Trade and other payables

Trade and other payables are recognised initially at the transaction price, and subsequently at amortised cost.

3. Accounting policies (continued)

3.20 Borrowing costs

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the statement of comprehensive income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

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

3.21 Provisions

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money. A contingent liability is disclosed where the existence of the obligations will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability.

3.22 Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

At the end of each reporting period, the group reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3. Accounting policies (continued)

3.23 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3.24 Defined contribution pension obligation

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

3.25 Financial assets and liabilities

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled and expires.

(ii) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit ar loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorised as FVTPL or FVOCI.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

3. Accounting policies (continued)

3.25 Financial assets and liabilities (continued)

(iii) Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fal! into this category of financial instruments.

Impairment of financial assets

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (`Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2')
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date
- '12-month expected credit losses' are recognised for the first category while `lifetime expected credit losses' are recognised for the second category. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics.

3. Accounting policies (continued)

Recognition and derecognition

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

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

All interest-related charges are reported in profit or loss and are included within finance costs or finance income.

4. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's and Company's accounting policies, the following judgements and key assumptions concerning the future have had the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

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. Significant assumptions are made in estimating the level of future profits, including market conditions and growth rates. Changes in these assumptions could affect the recognition of deferred tax assets.

Provisions

Provisions are recognised when management are satisfied that an outflow of economic benefits is probable and a reliable estimate can be made of the obligation. The determination of the provision requires significant judgement.

Impairment of property, plant and equipment and intangible assets

The Group tests tangible and intangible assets when indicators of impairment exist. Impairment is determined with reference to the higher of net realisable value and value in use. Value in use is estimated using adjusted future cash flows from the cash-generating unit and a suitable discount rate in order to calculate present value. Significant other assumptions about future events, including future market conditions and future growth rates, are made in estimating future cash flows. Changes in these assumptions could affect the outcome of impairment reviews.

Intangible assets

The Group establishes a reliable estimate of the useful life of intangible assets based on a variety of factors such as: the expected useful life of the cash generating units to which any intellectual property is attributed, any legal or regulatory provisions that can limit useful life, and assumptions that market participants would consider in respect of similar businesses.

Future funds convertible loan notes

As required under IFRS the convertible loan notes were measured at fair value. Due to the lack of observable market prices for similar instruments the valuation is subject to uncertainty. The convertible loan notes are convertible upon the Maturity (3 years from inception), or as a result of further equity financing (where the funds raised are 25% or more than the principal sum of the convertible loan, and where 51% of the loan note holders vote for conversion).

Share-based payments

The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The estimation of fair value requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option and volatility. The share based payment costs for the year was £396,266 (2020: £299,241).

5. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	2021 £	2020 £
Sale of goods	**461,842**	-
	461,842	-

Analysis of revenue by country of destination:

	2021 £	2020 £
United Kingdom	**461,842**	-
	461,842	-

6. Other operating income

	2021 £	2020 £
Government grants receivable	**1,250**	-
	1,250	-

7. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation expense	**229,979**	23,114
Amortisation expense	**95,954**	18,776
Foreign exchange losses	**(4,981)**	4,479
Share based payment expense	**396,266**	299,241

8. Employee benefit expenses

Group

	2021 £	2020 £
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**746,147**	479,885
Social security costs	**78,452**	47,305
Pension and other post-employment benefit costs	**30,102**	25,339
	854,701	552,529

Company

	2021 £	2020 £
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**378,547**	129,158
Social security costs	**37,748**	9,494
Pension and other post-employment benefit costs	**1,664**	772
	417,959	139,424

The average number of persons employed by the Group (including directors) during the period, analysed by category was as follows:

	2021 No.	2020 No.
Production	**48**	5
Administration and support (includes directors)	**26**	14
	74	19

9. Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Directors' emoluments	195,523	84,000
	195,523	84,000

10. Finance income and expense

Recognised in profit or loss

	2021 £	2020 £
Finance income		
Interest on:		
- Bank deposits	278	212
Total interest income arising from financial assets measured at amortised cost or FVOCI	278	212
Total finance income	278	212
Finance expense		
Other loan interest payable	(160,443)	-
Net changes in fair value of hedging instruments	4,959	(3,101)
Total finance expense	(155,484)	(3,101)
Net finance expense recognised in profit or loss	(155,206)	(2,889)

11. Tax expense

11.1 Income tax recognised in profit or loss

	2021 £	2020 £
Current tax		
Current tax on profits for the year	**(22,278)**	(96,859)
Total current tax	**(22,278)**	(96,859)
Deferred tax expense		
	(22,278)	(96,859)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2021 £	2020 £
Loss for the year	**(2,674,179)**	(1,829,005)
Income tax credit/expense (including income tax on associate, joint venture and discontinued operations)	**(22,278)**	(96,859)
Loss before income taxes	**(2,696,457)**	(1,925,864)
Corporation tax at standard rate: 19%	**(512,324)**	(365,914)
Decrease from effect of capital allowances in excess of depreciation andamortisation	-	(138,789)
Increase from overseas expenses not subject to UK corporation tax	**399,230**	106,305
Increase from effect of expenses not deductible in determining taxableprofit	**308,243**	75,678
Short term temporary differences	-	(15)
Surrender of tax losses for research and development tax credit	-	(71,737)
Unrelieved tax lasses arising in period	**(217,427)**	(96,859)
Short term timing difference leading to an increase/(decrease) in taxation	-	394,472
Total tax expense	**(22,278)**	(96,859)

12. Property, plant and equipment

Group

	Land and buildings £	Short-term leasehold property £	Plant, fixtures, and equipment £	Total £
Cost or valuation				
At 1 January 2020	529,587	-	82,238	611,825
Additions	603,380	-	314,991	918,371
At 31 December 2020	1,132,967	-	397,229	1,530,196
Additions	675,757	264,976	823,332	1,764,065
Acquired through business combinations	-	-	68,228	68,228
At 31 December 2021	**1,808,724**	**264,976**	**1,288,789**	**3,362,489**

	Land and buildings £	Short-term leasehold property £	Plant, fixtures, and equipment £	Total £
Accumulated depreciation and impairment				
At 1 January 2020	-	-	364	364
Charge owned for the year	8,582	-	14,532	23,114
At 31 December 2020	8,582	-	14,896	23,478
Charge owned for the year	52,138	16,561	161,280	229,979
Acquired through business combinations	-	-	4,305	4,305
At 31 December 2021	**60,720**	**16,561**	**180,481**	**257,762**
Net book value				
At 31 December 2020	1,124,385	-	382,333	1,506,718
At 31 December 2021	1,748,004	248,415	1,108,308	3,104,727

Included within the net book value of land and buildings above is £Nil (2020: £573,820) in respect of freehold land and buildings which are currently under development and not available for use. Therefore no depreciation was charged on those assets whilst under construction.

Included within the net book value of plant, fixtures, and equipment above is £Nil (2020: £176,462) in respect of equipment which is currently under development and not available for use. Therefore no depreciation was charged on those assets whilst under construction.

The net book value of assets held under hire purchase agreements included within plant, fixtures, and equipment above totalled £148,647.

12. Property, plant and equipment (continued)

Company

	Land and buildings £	Plant, fixtures, and equipment £	Total £
Cost or valuation			
At 1 January 2020	209,291	82,238	291,529
Additions	450,350	301,920	752,270
At 31 December 2020	659,641	384,158	1,043,799
Additions	184,995	681,821	866,816
At 31 December 2021	**844,636**	**1,065,979**	**1,910,615**

	Land and buildings £	Plant, fixtures, and equipment £	Total £
Accumulated depreciation and impairment			
At 1 January 2020	-	364	364
Charge owned for the year	8,582	14,532	23,114
At 31 December 2020	8,582	14,896	23,478
Charge owned for the year	52,138	148,274	200,412
At 31 December 2021	**60,720**	**163,170**	**223,890**
Net book value			
At 31 December 2020	651,059	369,262	1,020,321
At 31 December 2021	783,916	902,809	1,686,725

Included within the net book value of land and buildings above is £Nil (2020: £573,820) in respect of freehold land and buildings which are currently under development and not available for use. Therefore no depreciation was charged on those assets whilst under construction.

Included within the net book value of plant, fixtures, and equipment above is £Nil (2020: £176,462) in respect of equipment which is currently under development and not available for use. Therefore no depreciation was charged on those assets whilst under construction.

13. Intangible assets

Group

	Goodwill £	Intellectual property £	Other intangible assets £	Licences £	Total £
Cost					
At 1 January 2020	-	168,463	13,070	20,424	201,957
Additions	-	28,161	1,651	4,747	34,559
At 31 December 2020	-	196,624	14,721	25,171	236,516
Additions	2,371,235	-	8,380	-	2,379,615
Acquired through business combinations	-	-	42,444	-	42,444
At 31 December 2021	**2,371,235**	**196,624**	**65,545**	**25,171**	**2,658,575**

	Goodwill £	Intellectual property £	Other intangible assets £	Licences £	Total £
Accumulated amortisation and impairment					
At 1 January 2020	-	-	1,634	-	1,634
Charge for the year	-	9,803	5,508	3,465	18,776
At 31 December 2020	-	9,803	7,142	3,465	20,410
Charge for the year	59,281	19,662	12,464	4,547	95,954
Acquired through business combinations	-	-	23,192	-	23,192
At 31 December 2021	**59,281**	**29,465**	**42,798**	**8,012**	**139,556**
Net book value					
At 1 January 2020	-	168,463	11,436	20,424	200,323
At 31 December 2020	-	186,821	7,579	21,706	216,106
At 31 December 2021	2,311,954	167,159	22,747	17,159	2,519,019

Included within the net book value of intellectual property is £Nil (2020: £98,599) which relate to assets currently under development and not available far use. Therefore no amortisation was charged on those assets whilst under development.

13. Intangible assets (continued)

Company

	Intellectual property £	Other intangible assets £	Total £
Cost			
At 1 January 2020	168,463	13,070	181,533
Additions	28,161	1,651	29,812
At 31 December 2020	196,624	14,721	211,345
Additions	-	8,380	8,380
At 31 December 2021	**196,624**	**23,101**	**219,725**

	Intellectual property £	Other intangible assets £	Total £
Accumulated amortisation and impairment			
At 1 January 2020	-	1,634	1,634
Charge for the year	9,803	5,508	15,311
At 31 December 2020	9,803	7,142	16,945
Charge for the year	19,662	8,013	27,675
At 31 December 2021	**29,465**	**15,155**	**44,620**
Net book value			
At 1 January 2020	168,463	11,436	179,899
At 31 December 2020	186,821	7,579	194,400
At 31 December 2021	167,159	7,946	175,105

Included within the net book value of intellectual property is £Nil (2020: £98,599) which relate to assets currently under development and not available far use. Therefore no amortisation was charged on those assets whilst under development.

14. Investments

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%) 2021	2020
1) Avida Global SAS	Production of pharmaceutical grade cannabis	Colombia	90	90
2) Avida Labs Limited	White label and private label CBD and E-liquid manufacturing company	England	100	-
3) Green Stem Limited	Dormant	England	100	-

Summery of the company's investments

	2021 £	2020 £
Investments in subsidiaries	**2,616,114**	3,413
	2,616,114	3,413

	Subsidiaries £
Cost of valuation	
At 1 January 2021	3,413
Addition during the year	2,612,701
At 31 December 2021	**2,616,114**
Carrying amount	
At 31 December 2021	**2,616,114**
At 31 December 2020	3,413

On 31 December 2021 the directors assessed the Company's investments for evidence of indicators of impairment. The directors have assessed that no impairment is required.

15. Inventories

Group

	2021 £	2020 £
Work in progress	**1,676,491**	30,212
	1,676,491	30,212

The amount of inventories in the Company at 31 December 2021 is £Nil (31 December 2020 - £Nil).

16. Trade and other receivables

Group

	2021 £	2020 £
Trade receivables	**452,746**	-
Prepayments and accrued income	**354,521**	97,006
Other receivables	**138,678**	117,391
Total trade and other receivables	**945,945**	214,397

Company

	2021 £	2020 £
Receivables from related parties	**4,018,748**	1,232,369
Prepayments and accrued income	**270,781**	84,245
Other receivables	**85,361**	116,133
Total trade and other receivables	**4,374,890**	1,432,747

The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in the financial risk management and impairment note.

17. Trade and other payables

Group

	2021 £	2020 £
Trade payables	**644,951**	148,162
Other payables	**276,342**	46,035
Accruals	**160,628**	6,995
Social security and other taxes	**59,970**	22,034
Total current trade and other payables	**1,141,891**	223,226

Company

	2021 £	2020 £
Trade payables	**68,078**	114,106
Payables to related parties	**1**	-
Other payables	**4,036**	8,961
Accruals	**383,195**	6,995
Social security and other taxes	**22,995**	14,508
Total current trade and other payables	**478,305**	144,570

The Group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk management and impairment note.

18. Loans and borrowings

Group

	2021 £	2020 £
Non-current		
Bank and other loans	**1,283,241**	46,857
Lease liabilities	**254,528**	-
	1,537,769	46,857
Current		
Bank and other loans	**1,501,759**	3,143
Lease liabilities	**151,436**	-
	1,653,195	3,143
Total loans and borrowings	**3,190,964**	50,000

Company

	2021 £	2020 £
Non-current		
Bank and other loans	**1,283,241**	46,857
	1,283,241	46,857
Current		
Bank and loans	**1,501,759**	3,143
	1,501,759	3,143
Total loans and borrowings	**2,785,000**	50,000

Other borrowings

The Group has bank borrowings from Metro Bank under the Bounce Back Loan Agreement. The Sterling denominated loan facility carries a nominal fixed interest rate of 2.5%. The loan is for a term of 72 months with the final instalment due on 25 September 2027. The carrying amount at the year end is £50,000 (2020: £50,000).

The Group's other borrowings include Future Fund convertible loan notes with a carrying amount at the balance sheet date of £1,000,000 (2020: £Nil). The Sterling denominated loan notes carry an interest rate of 8% and incurred an interest charge of £78,685 during the year (2020: £Nil).

The Group's other borrowings include secured loan notes (2023) with a carrying amount at the balance sheet date of £235,000 (2020: £Nil). The Sterling denominated loan notes carry an interest rate of 8% and incurred an interest charge of £12,827 during the year (2020: £Nil).

The Group's other borrowings contains secured loan notes (2022) with a carrying amount at the balance sheet date of £1,500,000 (2020: £Nil). The Sterling denominated loan notes carry an interest rate of 16% and incurred an interest charge of £61,808 during the year (2020: £Nil).

19. Cash and cash equivalents

Group

	2021 £	2020 £
GBP	**165,798**	1,076,426
COP	**36,004**	4,248
	201,802	1,080,674

Company

	2021 £	2020 £
GBP	**3,810**	1,076,426
	3,810	1,076,426

20. Share capital

Issued and fully paid

	2021 Number	**2021 £**	2020 Number	2020 £
Ordinary shares of £0.001 each				
At 1 January	**3,549,627**	**3,550**	2,551,823	2,552
Shares issued	**1,004,272**	**1,004**	997,804	998
At 31 December	**4,553,899**	**4,554**	3,549,627	3,550

During the year, 12,640 ordinary shares were issued at a nominal value of £0.001 per share. The price paid was £3.56 per share. Total consideration paid was £44,998.

During the year, 23,800 ordinary shares were issued at a nominal value of £0.001 per share. The price paid was £0.001 per share. Total consideration paid was £24.

During the year, 853,700 ordinary shares were issued at a nominal value of £0.001 per share. The price paid was £3.72 per share. Total consideration paid was £3,175,764.

During the year, 114,132 ordinary shares were issued at a nominal value of £0.001 per share. The price paid was £5.22 per share. Total consideration paid was £595,769.

173,900 shares are reserved for issue under share options.

21. Reserves

Group

Share capital

Represents the nominal value of shares that have been issued.

Share premium

Represents the premium arising on the issue of shares net of issue costs.

Foreign exchange reserve

Represents the reserve account on foreign currency translations.

Other reserves

Represents the amount of fair value of share options.

Retained earnings

Includes all current and prior period retained profits and losses

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	2021	2020
	£	£
Foreign currency translation losses	**(196,536)**	(3)

Company

Share capital

Represents the nominal value of shares that have been issued.

Share premium

Represents the premium arising an the issue of shares net of issue costs.

Other reserves

Represents the amount of fair value of share options.

Retained earnings

Includes all current and prior period retained profits and losses.

22. Defined benefit schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charged for the year represents contributions payable by the group to the scheme and amounted to £30,102 (2020: £25,339).

Contributions totalling £5,255 (2020: £Nil) were payable to the scheme at the end of the year and are included in creditors.

23. Share based payments

As at 31 December 2021, the Group operates an unapproved option scheme for 8 employees, and 2 external parties. Share options are exercisable for Ordinary shares at prices at the date of grant.

Share options and weighted average exercise prices are as follows for the reporting periods presented:

	Number of shares	Weighted average Price £
At 1 January 2021	**144,700**	4
Granted	**53,000**	4
Exercised	**(23,800)**	(4)
Outstanding at 31 December 2021	**173,900**	4

Exercisable at 31 December 2021

Certain options granted have staged vesting conditions based on the later of: time, and performance of certain tasks. The remaining options granted will vest on a specified date and have no performance conditions. During the year 23,800 options were exercised, with 173,900 shares remaining reserved under options.

The fair value of each share option is based on the average price of a share purchased during the relevant accounting periods.

24. Financial instruments

Categories of financial instruments

The Group and the Company held the following financial liabilities:

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Trade and other payables	**1,141,891**	223,226	**478,305**	144,570
Loans and borrowings	**3,190,964**	50,000	**2,785,000**	50,000
	4,332,855	273,226	**3,263,305**	194,570

The Group and the Company held the following financial assets:

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Trade and other receivables	**591,424**	117,391	**4,104,109**	1,432,747
Cash and short-term deposits	**201,802**	1,080,674	**3,810**	1,076,426
	793,226	1,198,065	**4,107,919**	2,509,173

25. Financial instruments - fair values and risk management

The Group's and the Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk, cash flow interest rate risk, and fair value interest rate risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of the marketplace and seeks to minimize potential adverse effects on the group's and the company's financial performance.

Risk management is carried out by the board of directors.

Foreign exchange risk

Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in Colombian Peso's. The Group's subsidiary is located in an overseas territory which reports in Colombian Peso's.

Credit risk and impairment

The Group's and the Company's exposure to credit risk is limited to the carrying value of financial assets recognized at the year end. The maximum exposure to credit risk in relation to trade receivables is equivalent to the yearend balance. The Group continuously monitors the creditworthiness of customers and other counterparties. The Group's and the Company's policy is to deal only with creditworthy counterparties.

The Group and the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings..

25. Financial instruments - fair values and risk management (continued)

Financial risk management objectives (continued)

There were no impairment losses on financial assets recognized in the statement of comprehensive income during 2021.

Past due and impaired financial assets

The directors consider that all the above financial assets that are not impaired at the reporting date under review are of good quality credit, based on financial information and past trading history, including those that are past due.

Liquidity risk

Liquidity needs are monitored carefully on a day-to-day basis. Longer term liquidity needs are assessed through monthly, quarterly, and annual cash flow forecasts.

Capital risk management

Capital components

Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus debt.

Externally imposed capital requirements

The Group has no externally imposed capital requirements.

Capital management

The Group's policy is to maintain a strong capital base with a view to underpinning shareholder and creditor confidence and sustaining the future development of the business. Capital consists of ordinary shares, share premium, other capital reserves, retained earnings, and other debt. The Group monitors performance at both a corporate and individual asset level and sets internal guidelines for interest cover and gearing. The Group manages the capital structure and makes changes to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The amounts managed as capital by the Group and the Company for the reporting periods under review are summarised as follows:

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Share capital	**4,554**	3,550	**4,554**	3,550
Share premium	**9,157,792**	5,234,957	**9,157,792**	5,234,957
Other reserve	**509,227**	220,245	**509,227**	220,245
Foreign currency translation reserve	**(197,567)**	(1,031)	**-**	-
Retained earnings	**(5,261,639)**	(2,607,114)	**(4,076,376)**	(1,926,015)
Non-controlling interests - Equity	**(95,380)**	(75,726)	**-**	-
	4,116,987	2,774,881	**5,595,197**	3,532,737

26. Related party transactions

C J Haffner, Director (resigned 29 June 2022)
D C Kirby, Director
Lord B L S Mancroft, Director
P Ryan-Bell, Director

Summary of transactions with key management

The total remuneration for key management personnel for the period totalled to £166,774 (2020: £84,000).

C J Haffner has invoiced the Company for management services during the period amounting to £Nil (2020: £48,000).

Oxalyst Partners Limited, a shareholder of which D C Kirby is also a director, has invoiced the Company for management services during the period amounting to £Nil (2020: £48,000) and has been paid no commission.

Lord B L S Mancroft has invoiced the Company for management services during the period amounting to £30,000 (2020: £44,000).

P Ryan-Bell has invoiced the Company for management services during the period amounting to £Nil (2020: £12,500).

27. Controlling party

The Company is not controlled by any single party by virtue of their individual shareholdings. The Company is controlled by the directors.

28. Business combinations

28.1 Recognised amounts of identifiable assets acquired and liabilities assumed

On 3 October 2021 Avida Global Limited acquired 100% of the issued share capital of Avida Labs Limited (formerly Canna Creations Limited), a company whose primary activity is cultivation and refining of cannabis far the medicinal, nutraceutical and cosmetics markets, for total consideration of £2,612,700. The consideration consisted of cash consideration of £1,000,000, legal and stamp duty fees totalling £112,700, and share consideration of £1,500,000 (consisting of 403,226 shares issued at a price of £3.72 per share). The acquisition has been accounted for under the acquisition method.

The following tables set out the book values of the identifiable assets and liabilities acquired and their fair value to the Group:

Acquisition of Avida Labs Limited

	Book value £	Fair value £
Non-current assets		
Property, plant and equipment	63,923	63,923
Intangible assets	19,252	19,252
Current assets		
Cash and cash equivalents	90,753	90,753
Trade and other receivables	279,473	279,473
Inventories	246,238	246,238
Non-current liabilities		
Current liabilities		
Trade and other liabilities	(458,174)	(458,174)
Total identifiable net assets	241,465	241,465

28.2 Goodwill arising on acquisition

	£
Consideration transferred	2,612,700
Fair value of identifiable net assets acquired	(241,465)
Goodwill arising on acquisition	2,371,235

28.3 Net cash outflow on acquisition

	£
Consideration paid in cash	**1,112,700**
Less: cash and cash equivalent balances acquired	**(90,753)**
Net cash outflow on acquisition	**1,021,947**

29. Notes supporting statement of cash flows

Group

	2021 £	2020 £
Cash at bank available on demand	**201,802**	1,080,674
Cash and cash equivalents in the statement of financial position	**201,802**	1,080,674
Cash and cash equivalents in the statement of cash flows	**201,802**	1,080,674

Company

	2021 £	2020 £
Cash at bank available on demand	**3,810**	1,076,426
Cash and cash equivalents in the statement of financial position	**3,810**	1,076,426
Cash and cash equivalents in the statement of cash flows	**3,810**	1,076,426