ANANDA DEVELOPMENTS PLC

Consolidated Audited Financial Statements

Year Ended 31 January 2023

Company registration number: 11159584

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Company Information

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Company registration number	11159584
Directors	Charles Morgan Melissa Sturgess John Treacy Inbar Pomeranchik Stuart Piccaver (Appointed 19 December 2022) Clive Page (Appointed 27 March 2023) Jeremy Sturgess-Smith (Appointed 27 March 2023)
Secretary	SGH Company Secretaries Limited
Registered office	6th Floor 60 Gracechurch Street London EC3V 0HR
Bankers	Barclays Bank Plc Leicester LE87 2BB
Independent auditor	PKF Littlejohn LLP Statutory auditor 15 Westferry Circus London E14 4HD
Solicitor	Orrick Herrington & Sutcliffe LLP 107 Cheapside London, EC2V 6DN United Kingdom

Chairman's Statement

Year Ended 31 January 2023

I am pleased to announce the Company's and the Group's results for the financial year ended 31st January 2023. During the period the Company completed the acquisition of the 50 per cent of DJT Group Ltd ('DJT Group') which was not already owned, commenced and progressed the genetic stabilisation programme being carried out by DJT Group's 100% owned subsidiary DJT Plants Limited ('DJT Plants'), successfully cultivated a trial medical cannabis crop in DJT Plants' unique, carbon efficient & low-cost growing environment and renewed DJT Plants' Home Office >0.2% THC cannabis research cultivation licence.

The most significant corporate event during the year was the completion of the acquisition of DJT Group and restructuring of certain Director loans to allow the Company access to more traditional financing methods going forward. The acquisition and restructuring were completed on 19th December 2022, with the Company paying £3.2 million for the remaining 50% of DJT Group, with consideration being settled via the issue of 350,000,000 ordinary shares of the Company (these shares are in escrow until 19 December 2025).

Subsequent to the year end, the Company announced and has completed the acquisition of MRX Global Limited and its wholly owned subsidiary MRX Medical Limited ('MRX').

MRX has invented a proprietary method to formulate cannabis medicines, the first of which, MRX1, is to be used in two Phase II Randomised Controlled Trials (RCTs) to investigate the effectiveness of cannabidiol (CBD) in chemotherapy induced peripheral neuropathy (CIPN) and in patients with endometriosis. MRX's cannabidiol formulations meet the requirements set out by the National Institute for Health and Care Excellence (NICE) for research into the effectiveness of CBD with no or trace tetrahydrocannabinol (THC). MRX1 and MRX2, MRX's second formulation, will also be launched as unlicensed CBPM's (Cannabis Based Products for Medicinal use in humans) in the coming months.

The clinical trials have received combined commitments of £1.5 million in external grant funding and will be carried out by leading investigators at the University of Edinburgh.

In March 2023, the Company also raised a total of £427,400 (before expenses) via the issue of 142,466,667 ordinary shares of 0.2p each in the Company at a price of 0.3p per share. This, together with the conversion of the loan notes cleaned up the balance sheet of the Company. The Company maintains an unsecured loan facility from me which it can draw down on, if required and with the agreement of both parties.

On 27th March 2023 the Company held a General Meeting at which the MRX acquisition was approved by shareholders. As the acquisition of MRX and MRX Global Limited was not completed until after the end of the period ended 31st March 2023, its accounts are not consolidated into the financial reports. They will of course be included in the future results and accounts of the Company.

Since the close of the MRX acquisition GM, the MRX team has progressed the business significantly. This includes agreeing to list the MRX unlicenced oils on three separate specialist clinic formularies, the launch of the MRX website, in June 2023, the website is designed to inform potential prescribing clinicians of the dosing regimen recommended for MRX. In May 2023, the Company also announced that MRX had filed patents over three cannabinoid formulations: MRX1, MRX2 and its most recently invented formulation MRX3. These formulations are being developed as cannabidiol-based medicines for the treatment of a number of complex inflammatory indications which are unmet by existing treatments. A fourth application was also filed which covers a proprietary method for formulating these products.

On 10th July 2023 Home Office representatives visited DJT Plants' facility. This visit was a compliance visit as per the terms of the DJT licence and standard Home Office practice. DJT passed the compliance visit successfully. Two seasons of cultivation trials have now been undertaken and the genetic stabilisation programme is at the third generation of seeds. As a result, this phase of research is now complete and DJT's costs will reduce whilst the Company continues to plan for commercial cultivation.

On 27 July 2023, the Company announced that MRX had signed a manufacturing agreement with a contract manufacturing organisation, confirming the launch of its two initial unlicenced cannabinoid oils MRX1 and MRX2.

Chairman's Statement

Year Ended 31 January 2023

In the period in question, the Group incurred a loss of £1,139,640 (Company 2023: £954,015 and 2022: £970,343) before tax, of which approximately £880,757 (Company 2023: £803,690) represents operational costs. Net assets of the Group at the year-end were £1,204,609 (Company 2023: £2,684,388 and 2022: £288,016) which does not include the assets of MRX Global Limited and MRX Medical Limited.

Charles Morgan, Chairman

Date: 31 July 2023

Strategic Report

Year Ended 31 January 2023

The Directors present their strategic report with the consolidated audited financial statements of Ananda Developments Plc (the 'Company'), together with the Company's subsidiaries, (the 'Group') for the year ended 31 January 2023.

Business Review, Development and Performance

The Company was admitted to trading on the Aquis Stock Exchange ('AQSE'), formerly NEX Exchange Growth Market on 4 July 2018 as an investment vehicle to invest in the developing market for medical or therapeutic cannabis. Initially, the Company's strategy was focused specifically on companies, projects or products in Israel, Canada and the Netherlands, although this strategy was broadened in September 2018 to permit investment in any jurisdiction which has well established laws in relation to medical cannabis.

However upon completion of the Company's acquisition of DJT Group Ltd, the Company has been reclassified as a Healthcare Operating Company with the following strategy:

The Group's mission is to become a leading UK grower and provider of high quality, consistent, carbon zero medical cannabis for the UK and international markets.

Medical cannabis was legalised in the UK in 2018. There are now almost 20,000 medical cannabis patients in the UK and the number is growing rapidly. Despite this, patient access to medical cannabis is still limited and the majority of medical cannabis products available to UK patients are imported from abroad.

The impact of the Group as a UK grower and provider will be significant:

- The highest quality cannabis medicines, grown in the UK to the highest UK standards, at low cost
- The shortest supply chain to ensure patients won't run out of medicine
- UK research with UK cannabis medicines to give confidence to prescribers and regulators
- The team to deliver: a combination of seasoned, successful and driven entrepreneurs together with best-in-class scientists, cultivators and go to market specialists.

At our dedicated cultivation facility in the UK, we are currently working through medical cannabis strain stabilisation research and scaled cultivation trials in readiness for our application to grow for commercial purposes to meet the needs of UK patients and prescribers.

Since the Company was listed in 2018, the Directors have pursued their primary objective of creating long term value for Shareholders through its operations in the medical cannabis sector. Since its reclassification in December 2022, the Directors have focused on generating shareholder returns via its planned commercial cultivation of medical cannabis and via sales of its recently acquired MRX medical oils, through prescriptions of unlicenced medical oils in the short term and through NHS prescriptions under a market authorisation in the long term.

In May 2021, DJT was granted a UK government Home Office licence to grow medical cannabis for research. This licence has subsequently been successfully renewed and it remains in good standing.

The licence was granted for DJT to undertake a strain stabilisation research programme, with the objective of creating stabilised genetics which could then be trialled in DJT's commercial growing environment.

DJT's ultimate objective is to grow medical cannabis in the UK for commercial purposes. The Company increased its ownership in DJT from 50% to 100% on 19 December 2022, paying £3.2 million to Anglia Salads (the Seller) for its 50% shareholding of DJT. This payment was satisfied by the issue of 350,000,000 ordinary shares in the Company at a price of £0.00925 per share. These shares will be locked in until 19 December 2025.

The Company is aiming to create a library of stabilised strains of medical cannabis which are efficacious in the treatment of a range of conditions including scleroderma, Parkinson's disease, anxiety, neuropathic pain and epilepsy. With the intent of then using these stable strains to cultivate cannabis for commercial purposes, once all required licencing and approvals have been received from the appropriate government organisations.

Strategic Report

Year Ended 31 January 2023

During the year the Company funded DJT, via a loan agreement with a total of £2,789,567 (2022: £1,351,473) for the completion of its research facility, funding the ongoing operational expenditure and salaries of DJT, the purchase of R&D equipment and other sundry expenses.

The Group had no revenue for the year and incurred a loss of £1,139,640 (Company: £954,015 2022: £970,343).

Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

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

The Group has sought to act in a way that upholds these principles. The Directors believe that the application of s172 requirements can be demonstrated in relation to some of the key decisions made and actions taken during the year.

Category	How the Directors have engaged	Impact of action
Shareholders and investors	The Directors have communicated regularly with its shareholders and investors via public announcements and the publication of an interim statement.	The Company has continued to receive constructive feedback from shareholders.
Suppliers	The Company has focused on developing long term and mutually beneficial relationships with its suppliers.	Relationships have been maintained with all suppliers in place at the beginning of the period.
Employees	Whilst the Company is small, it makes sure that it works closely with its employees and directors, keeping them all closely and regularly informed of all developments at the Company.	During the period, a number of employees have joined both Ananda and DJT, The executive team believe that the operational team have a strong working bond and are appreciative of being kept informed of all developments.
Environment	The Directors have actively worked towards a growing strategy in its investment in DJT Group Ltd that aims to achieve carbon neutrality.	The Company's carbon footprint will be far smaller than other comparable companies.

The Company is a quoted early-stage operating company and its members will be fully aware, through detailed announcements, shareholder meetings and financial communications, of the Board's broad and specific intentions and the rationale for its decisions. The Company pays its employees and creditors promptly and keeps its costs to a minimum to protect shareholders funds. When selecting investments, issues such as the impact on the community and the environment have actively been taken into consideration.

Principal Risks and Uncertainties

The Group's performance and its investments are likely to be affected by changes in market and/or economic conditions, political, judicial, and administrative factors and in legal, accounting, regulatory and tax requirements in the areas in which it invests. There may be additional risks and uncertainties that the Directors do not currently consider to be material or of which they are currently unaware which may also have an adverse effect on the Company. Shareholders' attention is drawn to the risk factors set out below or in Part II of the Company's NEX Admission Document dated 21 June 2018 which is available on the Company's website at www.anandadevelopments.com/publications.

The Group's business involves capital expenditure and ongoing running costs and given the current liquidity position of the Company as at the date of this report the Company will require additional funding to meet its planned work programme. There is no guarantee that such additional funding will be available on acceptable terms at the relevant time.

1. **Risks relating to the Company and its Operational Strategy**

Expansion risk

The Company pursues its operational strategy, as stated on the Company website, subject to the availability of funding. Such a strategy brings with it certain risks and places additional demand on the Company's management, financial and operational resources. If the Company is unable to manage its operational activities effectively, its business, operations or financial condition may deteriorate.

There is a risk that the Group will be unable to produce a product within the guidelines of the various regulatory frameworks the business is required to operate within and therefore generate revenues.

Cannabis market acceptance and market development

Whilst the outlook for the regulatory and social acceptance of cannabis-based products – whether for the recreational, wellness or medical markets – is positive, there is an ongoing debate in the UK and Europe concerning efficacy and the potential social drawbacks of widespread implementation. There is an increase in the amount of clinical research into the efficacy of medical cannabis which is hoped will broaden its acceptance.

In the UK respected UK medical institutions continue to be cautious, however as more specialists are trained in the prescribing of medical cannabis there is a continued increase in the number of medical cannabis patients in the UK and internationally.

Furthermore, the NIHR and NICE have recently published calls for further research into <0.2% THC cannabis products, a call which Ananda intends to answer via its acquisition mentioned on page 48 in the Post Balance Sheet Events section.

Competition

The Group may face significant competition in identifying and acquiring suitable investments from other investors, including competitors who may have greater resources. Competition in the investment market may lead to prices for investments, identified by the Company as suitable, being driven up through competing bids of potential purchasers.

Accordingly, the existence and extent of such competition may have a material adverse effect on the Group's ability to acquire investments at satisfactory prices and otherwise on satisfactory terms, thereby reducing the Group's potential profits.

The Group may also face significant competition from other cannabis cultivation companies, who may have greater resources, be more fully developed or a more efficient route to commercial licencing due to the jurisdiction in which they have selected for their operations. Competition in cultivation may lead to cannabis flower prices being driven down through excess supply.

Accordingly, the existence and extent of such competition may have a material adverse effect on the Group’s ability to sell its cannabis flower at satisfactory prices and otherwise on satisfactory terms, thereby reducing the Group’s potential profits.

Success of the strategy not guaranteed

The Group’s level of profit on its operations will be reliant upon the performance of the assets acquired, the performance of the operational team and the market for those assets. The strategy, in both its current form and as amended from time to time, is not guaranteed to succeed. The success of the strategy depends on the Directors’ ability to execute the operational strategy of the Group effectively. No assurance can be given that the strategy to be followed will be successful under all or any market conditions, or that the Group will be able to generate positive returns for Shareholders. If the strategy is not successfully implemented, this may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group.

Dependence on Management

The Group’s ability to provide returns to Shareholders and achieve its operational objective is dependent on the performance of the Directors, senior staff and its advisers in the execution and management and of the Group’s operations. Failure by the Directors and the Group’s team in this regard could have a material adverse effect on the Group’s business, financial condition and return on investments.

Scarcity of suitably qualified individuals

The Group’s ability to execute its Operational Strategy depends on the successful recruitment and retention of talented and appropriately experienced and knowledgeable management. If the Group does not succeed in attracting suitably qualified management or retaining and motivating them once employed, it may be unable to execute its operational strategy.

Potential loss on operations

The Group's strategy carries inherent risks and there can be no guarantee that any appreciation in the value of any existing assets and operational units within the Group, or acquisition will occur or that the objectives of the Group will be achieved.

2. **<u>Risks relating to operations</u>**

Dependence on licences

DJT Plants Limited, a member of the Group, is dependent on the grant of certain licenses in one or more jurisdictions to enable the entities to conduct its business. In particular the future success of DJT is dependent on it being granted further Home Office >0.2% THC Cannabis Growing Licences and in time other licences, such as from the MHRA, will need to be obtained in order to achieve the stated objective of becoming a supplier of Cannabis Based Products for Medicinal Use in Humans (‘CBPMs’) to the UK and other markets.

Such licenses will be subject to on-going compliance and reporting obligations. Failure to comply or maintain any license would no doubt have a material adverse effect on the target company’s business, financial condition and operating results which in turn will materially adversely affect the Company’s return on its investment.

In addition, there is no guarantee that relevant regulatory bodies will renew or extend a license or renew or extend on the same terms as the previous one. Again, should the relevant regulatory bodies not extend or renew any license which a target company is reliant on, or should they renew on the license on different terms, the business, financial condition and operating results of the target company would be materially adversely affected, and in turn this will materially adversely affect the Group’s return on its investment.

DJT's reliance on certain facilities

DJT's licence is tied to the physical location of its research facility. Adverse changes or developments affecting this facility, including but not limited to, a breach of security, failure of heating and cooling systems or electrical delivery systems could have a material adverse effect on the business, financial condition and operating results of a target company and therefore a material adverse effect on the Group's return on its investment.

Any breach of security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by relevant regulatory bodies could also have an impact on the target company's ability to continue operating under certain license(s) or the prospect of renewing the same.

Research and development and product obsolescence

Rapidly changing markets, technology, emerging industry standards and frequent introduction of new products will characterise an investment target's business. The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render an investment target company's product obsolete, less competitive or less marketable.

The process of product development is complex and requires significant continuing costs, development efforts and third-party commitments. A Group company's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect the business, financial condition and operating results of a target company, and therefore have a material adverse effect on the Group's return on investment.

An investment target company may be unable to anticipate changes in its potential customer requirements that could make its existing technology obsolete. An investment target company's success will depend, in part, on its ability to continue to enhance its existing technologies, develop new technology that addresses the increasing sophistication and varied needs of the market, and respond to technological advances and emerging industry standards and practices on a timely and cost-effective basis. An investment target company may not be successful in using its new technologies or exploiting its nice markets effectively or adapting its business to evolving customer or medical requirements or preferences or emerging industry standards.

Product liability

Where a subsidiary is a manufacturer and distributor or is conducting trials of products designed to be ingested by humans, an investment target company will face an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of cannabis products involve risk of injury to consumers due to tampering by unauthorised third parties or product contamination.

Previously unknown adverse reactions resulting from human consumption of Cannabis derived products along or in combination with other medications or substances could occur. The investment target company may be subject to various product liability claims, including, among others, that products produced by the target company caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against an investment target company could result in increased costs, adversely affect the target company's reputation with its clients and consumers generally, and have a material adverse effect on the business, financial condition and operating results of an investment target company, and therefore a material adverse effect on the Company's return on investment.

There can be no assurances that an investment target company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities.

Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or otherwise protect against potential product liability claims could prevent or inhibit the commercialisation of products.

Joint ventures

A Group company may enter into joint ventures. There is a risk that a joint venture partner does not meet its obligations and the company or a business in which it invests may therefore suffer additional costs or other losses. It is also possible that the interests of the company or a business in which it invests and those of its joint venture partners are not aligned resulting in project delays or additional costs and losses. The Group may have minority interests in the companies, partnerships and ventures in which it invests and may be unable to exercise control over the operations of such companies.

4. Risks relating to operating companies whose main activities include cannabis production and research and development thereof

The Group's reputation may be damaged

Damage to the Group's reputation can be the result of the actual or perceived occurrence of any number of events, and could include negative publicity, whether true or not. This may arise as a consequence of investing in the production and the research and development of medical cannabis, cannabis being a Class B drug within the UK despite the November 2018 legalisation of medical cannabis in the UK.

The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views with regard to the Group and its activities, along with those activities of certain target companies in which the Group invests.

Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations, banking relationships etc. and thereby having a material adverse impact on the financial performance, financial conditions, cash flows and growth prospects of the Group.

The Group and its shareholders may be at risk of committing offences under POCA 2002

Even with the Group taking all precautions to ensure that it and the target companies in which it invests comply fully with all applicable regulations and legislation in relation to Cannabis (both in the UK and in the relevant foreign jurisdiction applicable to a target company), there are no guarantees that the activities of the Group and a target company will always be deemed lawful if there are any changes in the applicable law.

The Group will take all precautions possible to ensure that it does not at any time contravene POCA 2002. Contravention of POCA 2002 carries potential criminal liability.

The Group, or the medical cannabis industry more generally, may receive unfavourable publicity or become subject to negative consumer perception

The Group believes that the medical cannabis industry is highly dependent upon consumer perception regarding the medical benefits, safety, efficacy and quality of the cannabis distributed for medical purposes to such consumers. Consumer perception of a target company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, political statements, media attention and other publicity (whether or not accurate or with merit) regarding the consumption of cannabis products for medical purposes, including unexpected safety or efficacy concerns arising with respect to the products of a target company or its competitors.

There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for a target company's products and the business, results of operations and financial condition of a target company and therefore materially adversely affect the Company's return on investment.

Furthermore, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis for medical purposes in general, or a target company's products specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Cannabis plant may not be approved for medicinal use in all (or any) jurisdictions

Medical regulatory authorities in many jurisdictions require carefully conducted studies (clinical trials) in hundreds to thousands of human subjects to determine the benefits and risks of a possible medication. In many jurisdictions, researchers have not conducted sufficient large-scale clinical trials that show that the benefits of the cannabis plant (as opposed to its cannabinoid ingredients) outweigh its risks in patients it is meant to treat.

Further clinical research studies on the effects of medical cannabis may lead to conclusions that dispute or conflict with the Company's (and target companies') understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis.

Research in Canada, the UK, the US and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of Cannabis or isolate cannabinoids (such as CBD and THC) remains in early stages.

Although the Group believes that the articles, reports and studies referenced in this document support its belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis as set out in this document, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, prospective investors should not place undue reliance on such articles and reports.

Future research studies and clinical trials may draw opposing conclusions to those stated in this Document or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions relating to Medical Cannabis, which could have a material adverse effect on the demand for target company products with the potential to lead to a material adverse effect on a target company's business, financial condition and results of operations, and as such, materially adversely affect the Company's return on investment.

5. <u>Risks relating to regulatory matters</u>

Laws, regulations and guidelines may change in ways that the Group has not predicted

The laws, regulations and guidelines applicable to the medical cannabis industry may change in ways currently unforeseen by the Group.

The Group's ability to invest into approved and properly licensed companies lawfully producing and/or conducting research into Cannabis are subject to laws, regulations and guidelines of the United Kingdom as well as the jurisdictions in which it is invested. If there are any changes to such laws, regulations or guidelines occur, which are matters beyond the Group's control, the Group may incur significant costs in complying with or is unable to comply with such changes. This may have a material adverse effect on the Group's business, financial condition and results.

Regulatory Compliance Risks and maintaining a bank account

Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition, and, therefore, on the Company's prospective returns.

As a result of perceived reputational risk and regulatory risks, the Group, in the medical cannabis sector, may in the future have difficulty in maintaining its current bank accounts, establishing further bank accounts, or other business relationships.

Environmental Regulations and Risks

The operations of some target companies will be subject to environmental regulation in the various jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non- compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the business, financial condition and operating results of a target company, and therefore have a material adverse effect on the on a target company, and therefore have a material adverse effect on the Group's return on investment.

6. <u>Risks relating to the Ordinary Shares</u>

Further issues of Ordinary Shares

It may be desirable for the Group to raise additional capital by way of further issues of Ordinary Shares to enable the Company to progress through further stages of development. Any additional equity financing may be dilutive to Shareholders. There can be no assurance that such funding, if required, will be available to the Group.

Acceptability of Ordinary Shares as consideration

Although it is the Group's intention, where appropriate, to use Ordinary Shares to satisfy all or part of any consideration payable for investments, vendors may not be prepared to accept these shares.

Secondary fundraisings

Once the first investment opportunity is identified, the Group will likely be required to seek further equity financing. There can be no guarantee that the Company will be successful in future rounds of fundraising. Such failure to secure further financing may result in the Group abandoning its investment strategy.

7. <u>Risks relating to financial matters</u>

Borrowings

The Group may, from time to time, be required to raise capital (whether through the issue of debt or equity) to make investments. There is no guarantee that the Group will be able to obtain financing on appropriate terms and conditions or at all. The companies in which the Group invests may also have borrowings or otherwise be geared or leveraged. Although such facilities may increase investment returns, they also create greater potential for loss. This includes the risk that the borrower will be unable to service the interest repayments, or comply with other requirements, rendering the debt repayable, and the risk that available capital will be insufficient to meet any such required repayments.

There is also the risk that existing borrowings will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing borrowings. A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions, which are beyond the Group's control) may make it difficult for the Group to obtain new financing on attractive terms or even at all. An inability to obtain such facilities may have a material adverse effect on the business, financial condition, results of operations and prospects of the Group. The Directors have also received a letter of support confirming that the Director's loan of £757,801 will not become payable for at least 12 months from the date of approval of these financial statements unless sufficient cash funds are available.

Tax risks

The Group may purchase investments that will subject the Group to withholding taxes in various jurisdictions. In the event that withholding taxes are imposed with respect to any of the Group's investments, the effect will generally be to reduce the income received by the Group on such investments. Such withholding taxes may be imposed on income, gains, issue of securities or supporting documents, including the contracts governing the terms of any financial instrument and such taxes may be confiscatory in nature. The Company shall be making investments in jurisdictions where the tax regime is not fully developed or is not certain.

There can be no certainty that the current taxation regime in England and Wales or in other jurisdictions within which the Group may operate will remain in force or that the current levels of corporation taxation will remain unchanged. Any change in the tax status or tax legislation may have a material adverse effect on the financial position of the Company.

The Group's income may be reduced by exchange controls

The Group may purchase investments that will subject the Group to exchange controls in various jurisdictions. In the event that exchange controls are imposed with respect to any of the Group's investments, the effect will generally be to reduce the income received by the Group on such investments.

Currency and foreign exchange risks

The Group's business will be carried out in currencies other than sterling. To the extent that there are fluctuations in exchange rates, this may have an impact on the figures consolidated in the Group's accounts, which could have a material impact on the Group's financial position or result of operations, as shown in the Group's accounts going forward.

The Group does not currently undertake foreign currency hedging transactions to mitigate potential foreign currency exposure but may do so in future. The Board cannot predict the effect of exchange rate fluctuations upon future operating results and there can be no assurance that exchange rate fluctuations will not have a material adverse effect on the business, operating results or financial condition of the Group.

8. <u>Risks Relating to trading on the AQSE Growth Market</u>

Investment in unlisted securities

Investment in shares traded on the AQSE Growth Market is perceived to involve a higher degree of risk and be less liquid than investment in companies whose shares are listed on the Official List or AIM. An investment in Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of the Ordinary Shares may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Company. Investors may therefore realise less than, or lose all of, their investment.

Share price volatility and liquidity

The share price of early stage public companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are traded and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect quoted companies generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions.

Market risks

Notwithstanding the fact that the Ordinary Shares are traded on the AQSE Growth Market, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. Continued admission to the AQSE Growth Market is entirely at the discretion of Aquis Stock Exchange.

Any changes to the regulatory environment, in particular the AQSE Growth Market - Rules for Issuers, could, for example, affect the ability of the Company to maintain a trading facility on the AQSE Growth Market.

Key Performance Indicators

In order for Ananda to create long term value for shareholders it is required to remain adequately capitalised and resourced with suitably qualified and able executives and advisors. In addition, it is required to remain up to date with the changes in the legal and regulatory operating environment. Growth will come from carefully selecting appropriate investments which can deliver capital growth and/or potential dividends for shareholders in the future. The Company’s long term performance will be measured by its share price.

The Group’s KPIs are as follows:

➢ **Long term return on investment**

The Group assesses its investments in the cannabis sector in the context of a market that is growing fast, is in a state of legal and scientific flux and that its investments are all start-ups. In this high-risk environment the Group must see the potential for a return of a multiple of its investment.

➢ **Capital adequacy**

The Group must maintain enough capital to cover its overheads and make and develop its investments.

The Group has managed to achieve this to this date but must continue to raise capital to maintain this progress until such time as it is able to exit investments or cashflow from them enables it to maintain its capital adequacy position.

➢ **Share Price**

The Group assesses its success in terms of how the market rates it and this is, in the main, the share price. As an operating company the Group is at the whim of market forces and its ability to maintain capital adequacy is also related to the share price due to the cost of capital.

On behalf of the Board

Melissa Sturgess, Director and Chief Executive Officer

Date: 31 July 2023

Directors Report

Year Ended 31 January 2023

The Directors present their report and the consolidated audited financial statements of the Group for the year ended 31 January 2023.

Directors of the company

The Directors who have served during the year were as follows:

Charles Morgan
Melissa Sturgess
John Treacy
Inbar Pomeranchik
Stuart Piccaver (Appointed 19 December 2022)

Appointment, Re-election and Replacement of Directors

All the current directors are considered to provide a diverse range of appropriate skills and experience. The Group provides, or will provide, adequate support and training to ensure that the Directors remain appropriately skilled and able to fulfil their duties to the required standard and regularly assesses the board composition and will look to recruit in further skillsets as and when that may be required.

The Non-Executive Directors have experience of early stage healthcare and micro-cap, listed companies.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Results

The consolidated statement of comprehensive income is set out on page 27 and shows the loss for the year. The Group is in an early stage of development and the Directors consider the loss for the year to be satisfactory. The Directors do not recommend the payment of a dividend (2022: nil).

Indemnity provision for Directors

The Group does not currently hold directors' and officers' liability insurance. Post balance sheet activities dictate that the Company is now able to adhere to Section 234 of the Companies Act 2006 by implementing qualifying third-party indemnity provisions for the Directors in respect of liabilities incurred as a result of their office. Whilst the Company remains reliant on loan funds and in the lead up to the application for a commercial cultivation licence, the Company has kept suppliers and outgoings to a minimum to keep the momentum with the costs directed to the main concern.

Engagement with others

The Group continues growth with the Group's business relationships. All suppliers and employees are kept in contact and updated by the Company with the progress they are making with regular telephone calls and catch-ups. The Group recognises the need to ensure excellence in engagement with suppliers and employees.

Directors' remuneration

The total remuneration of the Directors for the year was as follows:

	Total 2023 £'000	**Total 2022 £'000**
Melissa Sturgess	187	76
Charles Morgan	187	12
John Treacy	7	6
Inbar Pomeranchik	6	58
Stuart Piccaver	1	-
Total	**388**	**155**

Of the £187,000 directors' fees each for Melissa Sturgess and Charles Morgan a total of £291,000 of this remain unpaid and accrued for during the financial year.

Once full operational functions take place it is foreseen that Melissa and Charles will have reduced fees as it is planned that they will both move in to a part-time function and the operational work will be taken on by individuals, who will be appointed in the future, with the appropriate technical expertise required to fill these roles. The following annual remuneration will pursue:

	Total £'000
Melissa Sturgess	120
Charles Morgan	24
John Treacy	12
Inbar Pomeranchik	12
Stuart Piccaver	12
Total	**180**

Remuneration Policy

The terms of reference for the Remuneration Committee include:

- Setting the remuneration policy for all executive directors
- Recommending and monitoring the level and structure of remuneration for all senior management
- Approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes
- Review the design of all share incentive plans for approval by the Board and shareholders.

The Remuneration Committee has extensive discretionary powers to set new remuneration arrangements that are commensurate with the business, from time to time. The Remuneration Committee would expect to change salary levels of the existing Directors, set salaries and compensation and introduce benefits, pension, annual bonus and long term incentive arrangements which are competitive and in line with market practice and governance guidelines and which would be designed to align the interests of shareholder growth and director compensation, salaries and fees of the directors were set on their admission to the Board of the Company and have not been changed since then. Within this financial year, John and Inbar have reduced their fees from £1,000 per month to £500 per month to free up capital for operational expenditure, together with Melissa and Charles electing from time to time to accrue their fees to exercise or convert certain options and warrants they held over ordinary shares of the Company.

Directors' interest, shareholdings

The following Directors had interests in the shares of the Company at the end of the year:

	2023 Total no. of ordinary shares of 0.02p	2022 Total no. of ordinary & consideration shares of 0.02p
Melissa Sturgess	185,794,452	177,724,170
Charles Morgan	156,601,896	151,071,781
Inbar Pomeranchik	4,641,389	4,641,389

At 31 January 2023 there were 347,037,737 share options issued to the Directors (2022: 342,124,083), see Note 21.

Procedures for the Issue of Shares to Directors

Any and all issuances of ordinary shares to Directors of the Company during the year were completed following completion of the below procedure:

1. The proposed issue of shares is tabled at the first available and appropriate board meeting
2. The reasons for the issue are discussed during the Meeting
3. The Company Secretary and Jeremy Sturgess-Smith are asked to confirm that the relevant authorities are available to issue the shares
4. The Directors of the Company who are independent of the issue having exercised reasonable care, skill and diligence, consider that their subscription is fair and reasonable as far as the shareholders of Ananda are concerned
5. A resolution was voted upon at the Board meeting
6. The shares were issued and the Company's various advisors informed in order to proceed with any regulatory work required to complete the issuance.

Substantial shareholdings

As far as the Directors are aware, as at the date of signing these financial statements, the following shareholders are company Directors or interested in 3% or more of issued share capital of the Company.

As at 31 January 2023, the total number of issued Ordinary Shares with voting rights in the Company was 1,170,554,572 (now: 2,873,847,451).

Shareholder	**No. of ordinary shares of 0.02p**	**% of Issued Share Capital**
Charles Morgan	1,115,665,229	38.82
Melissa Sturgess	417,001,785	14.51
Anglia Salads Limited	350,000,000	12.18
Jeremy Sturgess-Smith	106,900,010	3.72

Stuart Piccaver, a Director of the Company, is also a Director and shareholder of Anglia Salads Limited.

Future developments

The Directors of the Company are focused on maximising the potential of its subsidiaries those acquired before, during and after the period end. The Directors believe that the acquisitions made to date will bring long term value to shareholders.

Financial Instruments

The Company's operations expose it to a variety of financial risks that include the effect of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring levels of debt finance and related finance costs.

The Company invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in US dollars (USD). Consequently, the Company is exposed to the risk that the exchange rate of its currency relative to other foreign currencies may change in manner that has an adverse effect on the fair value of the future cashflows of the Company's financial assets denominated in currencies other than the GBP.

Going Concern

For the year ended 31 January 2023, the Group recorded a loss of £1,139,640 and had net cash outflows from operating activities of £457,354. An operating loss is expected in the year subsequent to the date of these accounts. The ability of the entity to continue as a going concern is dependent on the Group generating positive operating cash flows and/or securing additional funding through the raising of debt or equity to fund its projects.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Company secured additional funding by way of a £427,200 subscription for ordinary shares in March 2023;
- The Directors are confident that they will be able to raise additional funds to satisfy its immediate cash requirements; and
- The Directors have the ability to reduce expenditure in order to preserve cash if required.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. In the unlikely event that the Company will not be able to raise the required funds for the foreseeable future, the Directors will institute a programme of cuts to directors' and consultant's remuneration along with other non-fixed and operational costs. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

Directors Report

Year Ended 31 January 2023

Disclosure of information to the auditors

We, the Directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information; and
- the Group is under the required the threshold for climate financial reporting.

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

Melissa Sturgess, Director and Chief Executive Officer

Date: 31 July 2023

Independent Auditors Report to the members of Ananda Developments Plc

Year Ended 31 January 2023

Opinion

We have audited the financial statements of Ananda Development PLC (the ‘parent company’’) and its subsidiaries (the ‘group’) for the year ended 31 January 2023 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated Statement of Cashflows, the Consolidated and Parent Company Statements of Changes in Equity and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion,:

- the financial statements give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 January 2023 and of the group’s loss for the period then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 3(b) in the financial statements, which indicates that further funding will be required within the 12 months following the date of approval of the financial statements to meet working capital needs. This is due to the uncertainty associated with the group’s reliance on generating funds from the market and from Director’s loans. As stated in note 3(b), these events or conditions, along with the other matters as set forth in note 3(b), indicate that a material uncertainty exists that may cast significant doubt on the group and parent company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

- Reviewing cashflow forecasts for the period to January 2025 and challenging management on the key operating assumptions based on the 2023 actual results;
- Reviewing all the key inputs into the cash flow forecast, with particular emphasis on those areas of judgment and estimation uncertainty, and ensured they are appropriate, and no evidence of management bias exists.
- Testing the integrity of the forecast model by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions with reference to empirical data;

- Assessing the levels of cash available to the group post year-end and how the available cash will be sufficient to cover expected outgoing costs and other cash commitments over the cash flow forecast period.
- Reviewing the company and group’s post-year end management accounts to the latest practical date to assess if all material events have been reflected in the underlying assumptions to the forecasts;
- Comparing budgets to actual figures achieved to assess the reliability of management’s forecasts;
- Evaluating management’s sensitivity analysis and performing our own sensitivity analysis in respect of the key assumptions underpinning the forecasts; and
- Reviewing of post-period end RNS announcements and held discussions with management on their future plans to ensure these were appropriately considered within management’s cashflow forecasts.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We also determine the level of performance materiality which we use to assess the extent of testing needed to reduce an appropriately low level the probability that the aggregate of uncorrected misstatements exceeds materiality for the financial statements as a whole.

Materiality for the group was set at £42,000 (2022: £nil as first year group audit). This was calculated based on 3.5% of net assets at the year end. Using our professional judgement, we have determined this to be the principal benchmark within the financial statements as it will be most relevant to stakeholders in assessing the financial performance of the company which is in its early years of development.

We also determined a level of group performance materiality which we use to assess the extent of testing needed to reduce to an appropriate low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. Performance Materiality for the group was set at £29,000 (2022: £nil as first year group audit) being 70% of materiality for the financial statements as a whole. A benchmark of 70% for performance materiality was applied to provide sufficient coverage of significant and residual risks in the financial statements.

We agreed to report to the audit committee all corrected and uncorrected misstatements we identified through the audit with a value in excess of £2,100.

Materiality for the parent company was set at £40,000 (2022: £9,000) with a performance materiality at £28,000 (2022: £6,000). The benchmark and rationale used is the same with the group being 3.5% of net assets as at the year end and 70% for performance materiality was applied.

We agreed to report to the audit committee all corrected and uncorrected misstatements we identified through the audit with a value in excess of £2,000 (2022: £450).

Our approach to the audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the parent company. We looked at areas requiring the directors to make subjective judgements, for example in respect of the Valuation of Goodwill (identified as a key audit matter), the carrying value of investments (identified as a key audit matter), share based payments, selection of accounting policies, compliance with accounting policies and disclosure in accordance with United Kingdom Accounting Standards, the Companies Act 2006, the Listing Rules and the consideration of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud. The parent company's key accounting function is based in the United Kingdom and our audit was performed by our team in London with specific experience of auditing publicly listed entities. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Carrying value and assessment of impairment of investments (Parent only – Note 11) The carrying value of the investment is the most significant asset on the balance sheet at the year-end. There is a risk that the carrying value of the investment is not recoverable and an impairment charge is required.	In responding to the key audit matter, we performed the following procedures: • Ensuring the parent company has full title to the investments held; • Assessing whether any of the IAS 36 impairment indicators existed on any of the investments held at year end. • Reviewing the directors' assessment of the carrying value as at the year end and their conclusions thereof; • Obtaining a copy of the latest Home Office licence; and • Ensuring disclosures related to the carrying value of investments are consistent with the requirements of the Financial Reporting Standard 102.
Purchase Price Allocation from the acquisition of DJT (Notes 12 and 13) On 19 December 2022 (Completion date), the parent company acquired the remaining 50% shares in DJT Group Ltd ("DJT Group") from Anglia Salads Limited. DJT Group is now a wholly owned subsidiary of the parent company. The acquisition was settled through the issue of 350 million shares by the parent company. There is a risk that the purchase price is not allocated appropriately to the acquired assets & liabilities of DJT Group. As a result, the goodwill could be materially misstated.	In responding to the key audit matter, we performed the following procedures: • Reviewing the share purchase agreement, contract notes, minutes of meetings, etc for the acquisition of DJT Group Ltd; • Reviewing management's expert assumptions around the purchase price allocation and whether the goodwill has been correctly valued at year end; • Ensuring that the valuation of the acquisition is in accordance with the applicable financial reporting framework (e.g., quoted price / recent transaction for identical asset / valuation technique); • Assessing whether the allocation of the purchase price to assets & liabilities is in line with FRS 102 section 19; • Reviewing the step-acquisition accounting and considering whether the gain or change of ownership and goodwill arising from the

	acquisition were correctly calculated and accounted for.; • Ensuring that tax on the acquisition has been correctly accounted for considering the increase in intangible assets; and • Engaging PKF's valuation team to perform a valuation to challenge managements expert.
First time consolidation (Group) This is the first time that the parent company will be producing consolidated financial statements, therefore there is a risk that the consolidation adjustments are done inaccurately.	In responding to the key audit matter, we performed the following procedures: • Evaluating whether all component companies have been included within the group financial statements; • Confirming our record and understanding of group-wide controls and controls relevant to the consolidation by performing a walkthrough test; • Checking casts on the consolidation work book and supporting schedules; • Reconciling the individual component financial statements or consolidation pack to the consolidation working book and schedules; • Reviewing reconciliations and eliminating journals for intra-group balances; • Reviewing the consolidation and reclassification adjustments and ensuring appropriateness, completeness and accuracy of journals and agree to supporting documentation; • Evaluating whether any fraud risk factors or indicators of possible management bias exist; and • Agreeing consolidation schedule to the final financial statements. The initial consolidation provided was misstated with balances which should have been eliminated, such as the investments and intercompany balances. The consolidation journals were subsequently corrected by management, resulting in the consolidation being accurate and in line with the requirements of FRS 102 section 9.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and industry research.

- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from AQUIS listing rules, the Companies Act 2006, United Kingdom Accounting Standards (FRS 102), Bribery Act 2010, Anti Money Laundering Regulations, Misuse of Drugs Act (As Amended) 1971 and local laws.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Enquiries of Management
  - Review of board minutes
  - Review of RNS publications, and
  - Review of legal expenses incurred in the period
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that the potential for management bias existed in relation to the carrying value of intangible assets, the carrying value of investments and share based payments. We addressed this by challenging the assumptions and judgements made by management when auditing these significant accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of the business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Ling (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
2023

15 Westferry Circus
Canary Wharf
London E14 4HD

Consolidated Statement of Comprehensive Income

Year Ended 31 January 2023

	Note	**Group 31 Jan 2023 £**	**Company 31 Jan 2022 £**
Administrative expenses		(880,758)	(970,038)
Depreciation		(172,284)	-
Interest payable	8	(247,983)	-
Loss from operations		**(1,301,025)**	(970,038)
Loss before taxation	9	(1,301,025)	-
Corporation tax	9	-	-
Other Comprehensive Income			
R&D repayment	22	161,385	-
Foreign Exchange Loss		-	(305)
Total comprehensive loss for the year		**(1,139,640)**	(970,343)
Earnings per share			
Basic and diluted earnings per share (pence)	23	(0.13p)	(0.13p)

Group operations are classed as continuing.

The exemption under section 408 of the Companies Act 2006 from presenting the Parent Company's income statement has been taken. The Company's loss for the year was £954,015 (2022: £970,343).

The notes on pages 32 – 51 form part of these consolidated financial statements.

Consolidated and Company Statement of Financial Position

Year Ended 31 January 2023

		GROUP		COMPANY	
	Note	31 Jan 2023 £	31 Jan 2022 £	31 Jan 2023 £	31 Jan 2022 £
Non-Current assets					
Tangible Assets	10	1,762,468	-	-	-
Intangible Assets	12	4,470,376	-	-	-
Investments in subsidiaries		-	-	6,966,290	2,252,192
Total non-current assets		6,232,844	-	6,966,290	2,252,192
Current assets					
Cash and cash equivalents		18,837	-	-	-
Assets under construction		47,080	-	-	-
Trade and other receivables	14	210,144	-	124,685	110,938
Total current assets		276,061	-	124,685	110,938
Current liabilities					
Trade and other payables	15	1,586,484	-	1,481,775	1,487,254
Convertible loan notes	16	2,924,812	-	2,924,812	-
Total current liabilities		4,511,296	-	4,406,587	2,075,114
Non-current liabilities					
Convertible loan notes	16	-	-	-	587,860
Deferred Tax Liability		793,000	-	-	-
Total assets less liabilities		**1,204,609**	**-**	**2,684,388**	**288,016**
Capital and reserves					
Share capital	18	2,341,110	-	2,341,110	1,597,031
Share premium		3,468,944	-	3,468,944	876,347
Share options reserve		32,499	-	32,499	18,788
Retained earnings		(4,637,944)	-	(3,158,165)	(2,204,150)
Total equity and liabilities		**1,204,609**	**-**	**2,684,388**	**288,016**

The consolidated financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

Melissa Sturgess, Director

Date: 31 July 2023

The notes pages 32 – 51 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

Year Ended 31 January 2023

GROUP	Share Capital	Share Premium	Share Options Reserve	Retained Earnings	Total
	£	£		£	£
As at 1 February 2022	**1,597,031**	**876,347**	**18,788**	**(3,498,304)**	**(1,006,138)**
Total comprehensive loss for the year	-	-	-	(1,139,640)	**(1,139,640)**
Share issue	744,079	2,592,597		-	**3,336,676**
Issue of share options	-	-	13,711	-	**13,711**
Balance at 31 January 2023	**2,341,110**	**3,468,944**	**32,499**	**(4,637,944)**	**1,204,609**

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	**Description and purpose**
Share capital	This represents the nominal value of shares issued.
Share premium	Amount subscribed for share capital in excess of nominal value.
Share option reserve	Assessed value of options issued other than options issued as share based payment for services less any exercise of share options during the year.
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income.

The notes pages 32 – 51 form part of these consolidated financial statements.

Company Statement of Changes in Equity

Year Ended 31 January 2023

COMPANY	**Share Capital**	**Share Premium**	**Share Options Reserve**	**Retained Earnings**	**Total**
	£	**£**		**£**	**£**
As at 1 February 2022	**1,597,031**	**876,347**	**18,788**	**(2,204,150)**	**288,016**
Total comprehensive loss for the year	-	-	-	(954,015)	**(954,015)**
Share issue	744,079	2,592,597	-	-	**3,336,676**
Issue of share options	-	-	13,711	-	**13,711**
Balance at 31 January 2023	**2,341,110**	**3,468,944**	**32,499**	**(3,158,165)**	**2,684,388**

COMPANY	**Share Capital**	**Share Premium**	**Share Options Reserve**	**Retained Earnings**	**Total**
	£	**£**		**£**	**£**
As at 1 February 2021	**928,278**	**689,229**	**447,337**	**(1,233,807)**	**831,097**
Total comprehensive loss for the year	-	-	-	(970,343)	**(970,343)**
Share issue	268,753	147,142	-	-	**415,895**
Issuance of contingency shares	400,000	39,976	(439,976)	-	**-**
Issue of share options	-	-	11,427	-	**11,427**
Balance at 31 January 2022	**1,597,031**	**876,347**	**18,788**	**(2,204,150)**	**288,016**

The following describes the nature and purpose of each reserve within owners' equity:

Reserve	**Description and purpose**
Share capital	This represents the nominal value of shares issued.
Share premium	Amount subscribed for share capital in excess of nominal value.
Share option reserve	Assessed value of options issued other than options issued as share based payment for services less any exercise of share options during the year.
Retained earnings	Cumulative net gains and losses recognised in the statement of comprehensive income.

The notes pages 32 – 51 form part of these consolidated financial statements.

Consolidated and Company Statement of Cash Flows

Year Ended 31 January 2023

GROUP	Note	31 Jan 2023 £
Cash flows from operating activities		
Loss for the year		(1,139,640)
Adjustments for:		
Depreciation		172,284
Share based payment expense		13,711
Net finance expense		247,983
Write-off of assets under construction		39,878
Write-off of stocks		7,393
Increase in trade and other receivables		(143,568)
Increase in trade and other payables		344,604
Net cash outflow from operating activities	19	**(457,354)**
Investing activities		
Cash from acquisition		29,563
Additional investments prior to DJT acquisition		(1,476,598)
Net cash outflow from investing activities		(1,446,944)
Financing activities		
Proceeds from loans and borrowings		1,888,845
Repayment of loans and borrowings		(40,000)
Proceeds from issue of ordinary shares		74,290
Net cash inflow from financing activities		**1,923,135**
Net decrease in cash and cash equivalents		18,837
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of year		**18,837**

The Company was an investment company until 19 December 2022 and as such has not previously prepared consolidated financial statements.

The Company itself does not hold a bank account. All receipts and payments have been undertaken by a subsidiary. No cash flow statement was required in prior periods

To better illustrate the Group's cash flows during the current financial year the directors have included the cash flows of its subsidiary TAL as from 1 February 2022. The Group cash flows include DJT's movements as from 19 December 2022.

The notes pages 32 – 51 form part of these consolidated financial statements.

1. General information

Ananda Developments Plc is a company limited by shares incorporated in England and Wales under the Companies Act 2006 and is quoted on the Aquis Stock Exchange, formerly NEX Growth Market. Its registered office is at 60 Gracechurch Street, London, EC3V 0HR. The Company is the parent company of DJT Group Ltd and Tiamat Agriculture Limited, DJT Group Ltd is the sole parent company of DJT Plants Limited.

The group and company financial statements are presented in sterling and rounded to the nearest pound.

The financial information includes the results of the Company and its subsidiaries (together referred to as the "Group" and individually as "the Company").

The Group comparative figures are unavailable and the Group only became a Group on acquisition date, 19 December 2022. Prior to this date the Company was an investment company and therefore was not required to prepare consolidated financial statements.

2. Statement of compliance

The Group and Company financial statements of Ananda Developments Plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(a) Basis of preparation

These consolidated and separate financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

(b) Going Concern

The Board has reviewed the Company's cash flow forecast for the period to January 2025. The forecasts show that the Company will require further funding to meet operational commitments and overheads. In the Directors' opinion further equity funding, loans and/or a reduction or deferment of overheads (including Directors' remuneration) will be required. The Directors have also received a letter of support confirming that the Director's loan of £757,801 will not become payable for at least 12 months from the date of approval of these financial statements unless sufficient cash funds are available. The Directors believe that the required funding and financial support will be forthcoming, if required, although this is not guaranteed.

The Directors believe it is appropriate to prepare the financial statements on a going concern basis as the Company will have sufficient funds to finance its operations for the next 12 months from the approval of these financial statements.

(c) Basis of Consolidation

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control exists when then the Group has:

- the power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns.

All intra-Group transactions balances income and expenses are eliminated on consolidation. Uniform accounting policies are applied by the Group to ensure consistency.

(d) Business Combinations and Goodwill

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in the income statement as incurred. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in the consolidated income statement. Contingent consideration that consolidated financial statements is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired. Identifiable assets are those which can be sold separately, or which arise from legal rights regardless of whether those rights are separable. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash generating unit ("CGU") that is expected to benefit from the synergies of the combination. CGU 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. Any impairment loss is recognised directly in the income statement.

(e) Investments

Where the fair value of an equity investment cannot be estimated reliably, such as investments in unquoted companies, fair value is based on cost less any impairment charges. In this case impairment charges are recognised in profit or loss. The Company assesses at each period end date whether there is any objective evidence that a financial asset or group of financial assets has been impaired.

(f) Debtors and creditors payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

(g) Cash and cash equivalents

Cash and cash equivalents are carried in the consolidated statement of financial position at cost and comprise cash in hand, cash at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are included within borrowings in current liabilities on the consolidated statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents also includes any bank overdrafts, of which there are none.

(h) Employee Benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday and defined contribution pension plans.

(i) Financial Instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contracted rights to the cash flows from the financial asset expire or when the contracted rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

(j) Convertible loan notes

Convertible loan notes are recognised initially at the transaction price excluding transaction costs. Subsequently, they are measured at fair value through profit or loss. There is no reliable measure of the fair value of the convertible loan note and as such it is being held at initial cost less any impairment.

(k) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(l) Share Option Reserve

The Company has made share-based payment awards to certain Directors, employees and professional service providers by way of issue of share options measured at fair value of the award on the grant date. This is further discussed at Note 21.

The fair value of these payments is recognised by the Company over the vesting period based on the Company's estimate of equity instruments that are expected to vest, with a corresponding increase in equity. The impact of revision of the original estimate, if any, at the end of each year, is recognised in profit or loss such that the cumulative expense reflects the revised estimate with a corresponding adjustment to equity.

The expense, where material, is recognised on a straight-line basis over the period from the date of the aware to the date of vesting, based on the Company's best estimate of the number of shares that will eventually vest.

(m) Share Based Payments

The Group and Company provides share-based payment arrangements to certain employees.

Equity-settled arrangements are measured at fair value (excluding the effect on non-market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

Where equity-settled arrangements are modified, and are of benefit to the employee, the incremental fair value is recognised over the period from the date of modification to date of vesting. Where a modification is not beneficial to the employee there is no change to the charge for share-based payment. Settlements and cancellations are treated as an acceleration of vesting and the unvested amount is recognised immediately in the income statement.

The Group and Company have no cash-settled arrangements.

(n) Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset. Assets are assessed for impairment at each reporting date.

Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

(o) Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the statement of financial position date are translated using the year end rate.

(p) Tangible Assets

Tangible assets are stated at purchase price less accumulated depreciation and impairment losses. The cost includes all expenses directly related to the purchase of a relevant asset. All other repair and maintenance costs are charged to the income statement for the period during the reporting period in which they are incurred.

Depreciation on tangible assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	20 years
Fixed Plant	5–10 years
IT & Office Equipment	5 years
Irrigation	20 years
Reservoir	20 years
Multi-Chapelle	20 years
Miscellaneous	5 years

(q) Intangible Assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired on business combinations are capitalised separately from goodwill, licence and trade secrets if the fair value can be measured reliably on initial recognition.

Intangible assets are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

Licence	7 years
Trade Secrets	7 years
Goodwill	3 -5 years

Intangible assets are assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

(r) Impairment of non-financial assets

The residual value of an asset is the estimated amount that the Group would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its physical life.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

At the end of each reporting period management assesses whether the indicators of impairment of fixed assets exists.

The carrying amounts of fixed assets and all other non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. For the purpose of impairment testing the recoverable amount is measured by reference to the higher of value in use (being the net present value of expected future cashflows of a relevant cash generating unit) and fair value less costs to sell (the amount obtainable from the sale of an asset or cash generating unit in an arm's length transaction between knowledgeable, willing parties who are independent from each other less the costs of disposal).

Where there is no binding sale agreement or active market, fair value less costs to sell is based on the best information available to reflect the amount the Group would receive for the cash generating unit.

A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the income statement so as to reduce the carrying amount in the statement of financial position to its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in profit or loss for the period and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years

(s) Taxation

Current tax is calculated using rates and laws enacted or substantively enacted at the reporting date. Current tax is recognised in profit or loss unless it relates to an item of other comprehensive income or equity whereby it is recognised in other comprehensive income or equity respectively.

Deferred income tax is calculated using rates and laws enacted or substantively enacted at the reporting date that are expected to apply on reversal of the related temporary difference, and is determined in accordance with the expected manner of recovery of the related asset.

Deferred income tax is recognised in profit or loss unless it relates to an item of other comprehensive income or equity whereby it is recognised in other comprehensive income or equity respectively

(t) Related Party Transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. 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 revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates. Critical accounting judgements and estimation uncertainty include fair value measurements and the underlying valuation process, and evaluation of control over investees.

Share-based payments

The Company operates an equity settled share option scheme for Directors and employees. The increase in equity is measured by reference to the fair value at the date of grant. Management uses the Black Scholes model to value the share options. The model requires use of assumptions regarding volatility, risk free interest rate and a calculation of the value of the option at the time of the grant. Where equity instruments are granted to persons or entities other than staff, the fair value of goods and services received is charged to profit or loss when the transaction do not qualify for recognition of assets, and also except where it is in respect to costs associated with the issue of shares, in which case, it is charged to the share premium account when material.

The Company issued warrants in lieu of fees to stockbrokers. The warrant agreements do not contain vesting conditions and therefore the full share-based payment charge, being the fair value of the warrants using the Black-Scholes model, is recorded immediately when material.

The fair values calculated are inherently subjective and uncertain due to the assumptions made and the limitation of the calculations used.

Further details of the specific amounts concerned are given in Note 21.

There are no further employee benefits provided by the Group.

Estimated Impairment of Goodwill

The determination of fair values of assets acquired and liabilities assumed in a business combination involves the use of estimates and assumptions; such as discount rates used and valuation models applied as well as goodwill allocation.

Goodwill has a carrying value of £4,721,000 as at 31 January 2023 (2022: £Nil). The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2 to the consolidated financial statements.

Management has concluded that an impairment charge was not necessary to the carrying value of goodwill for the period ended 31 January 2023 (2022: £Nil). See Note 2 to the consolidated financial statements.

Further details on the acquisition of DJT can be located in Note 12 and 13.

Recognition of deferred tax assets

Uncertainty exists related to the availability of future taxable profit against which tax losses carried forward can be used, however deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies. Further information on income taxes is disclosed in Note 9.

Fair value of financial instruments

The fair values of financial instruments that cannot be determined based on quoted market prices and rates are established using different valuation techniques. The Group uses judgement to select methods and make assumptions that are mainly based on market conditions existing at the end of the reporting period. Factors regarding valuation techniques and their assumptions could affect the reported fair values.

5. Operating loss

Operating loss is stated after charging: -

	GROUP		COMPANY	
	31 Jan 2023 £	**31 Jan 2022 £**	**31 Jan 2023 £**	**31 Jan 2022 £**
Wages and salaries	145,452	-	57,886	5,252
Directors remuneration	387,500	-	387,500	155,206
Depreciation	172,284	-	-	-

The Group and Company pension contributions of £4,571 (2022: £2,112) were paid into a workplace pension scheme on behalf of the Directors and staff during the year. Social Security and National Insurance payments of the Group of £21,459 are included in the costs disclosed in wages and salaries above. No other payments were made under long term incentive schemes or otherwise during the year.

6. Employees and Directors

The average monthly number of persons employed by the Company during the year was as follows:

	GROUP		COMPANY	
	31 Jan 2023	**31 Jan 2022**	**31 Jan 2023**	**31 Jan 2022**
Staff	6	-	3	1
Directors	5	-	5	5

7. Auditors remuneration

GROUP AND COMPANY	**31 Jan 2023 £**	**31 Jan 2022 £**
Fees payable to the company's auditors for the audit of the company's annual accounts	50,000	17,700
	50,000	**17,700**

8. Interest payable

GROUP AND COMPANY

	31 Jan 2023 £	31 Jan 2022 £
Interest payable on Convertible Loan Notes	247,983	-
	247,983	**-**

9. Taxation

GROUP

	31 Jan 2023 £	31 Jan 2022 £
Adjusted loss before tax	(1,139,639)	-
Tax on loss for the year multiplied by the UK corporation tax rate of 19% (2022: 19%)	(216,531)	-
Tax losses carried forward on which no deferred tax asset has been recognised	216,531	-
Tax charge for the year	**-**	-

Deferred Tax

The balance comprises temporary differences attributable to:	31 Jan 2023 £	31 Jan 2022 £
Intangible Assets	793,000	-
Total Deferred Tax Liabilities	**793,000**	-

The Group has estimated tax losses of £2,581,667 (2022: Nil) available to be carried forward and offset against future profits. There has been no deferred tax asset recognised due to the uncertainty concerning the timescale as to its recoverability.

The acquisition occurred close to the financial year end, therefore the profit & loss charge in relation to the deferred tax expense is non-material. The deferred tax liability for the acquisition of DJT will be £793,000.

COMPANY

	31 Jan 2023 £	31 Jan 2022 £
Adjusted loss before tax	(954,015)	(555,078)
Tax on loss for the year multiplied by the UK corporation tax rate of 19% (2022: 19%)	(181,263)	(105,465)

Tax losses carried forward on which no deferred tax asset has been recognised	181,263	105,465
Tax charge for the year	**-**	-

9. Taxation (continued…)

The Company has estimated tax losses of £2,396,043 (2022: 1,442,028) available to be carried forward and offset against future profits. There has been no deferred tax asset recognised due to the uncertainty concerning the timescale as to its recoverability.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. Tangible Assets

The Company had no tangible assets at 31 January 2023 (2022: £nil). Group tangible assets are as follows.

10. Tangible Assets (continued…)

GROUP	Buildings	Fixed Plant	IT & Office Equipment	Irrigation	Reservoir	Multi Chapelle	Miscellaneous	Total
	£	£	£	£	£	£	£	£
Cost								
As at 1 February 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	-	-	-	-	-	-	-	**-**
Disposals	-	-	-	-	-	-	-	**-**
As at 31 January 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions	742,504	548,984	208,948	87,198	85,144	162,830	99,144	**1,934,752**
Disposals	-	-	-	-	-	-	-	**-**
As at 31 January 2023	**742,504**	**548,984**	**208,948**	**87,198**	**85,144**	**162,830**	**99,144**	**1,934,752**
Depreciation								
As at 1 February 2021	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Charge for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
As at 31 January 2022	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Charge for the year	35,608	65,760	40,700	3,906	3,535	6,970	15,805	172,284
Disposals	-	-	-	-	-	-	-	-
As at 31 January 2023	**35,608**	**65,760**	**40,700**	**3,906**	**3,535**	**6,970**	**15,805**	**172,284**
Net book value								
As at 1 February 2021	-	-	-	-	-	-	-	-
As at 31 January 2022	-	-	-	-	-	-	-	-
As at 31 January 2023	**706,896**	**483,224**	**168,248**	**83,292**	**81,609**	**155,860**	**83,339**	**1,762,468**

11. Unlisted Investments

COMPANY	31 Jan 2023 £	31 Jan 2022 £
Brought forward	*2,252,192*	*1,280,618*
Additions in the year:		
DJT Group Ltd	3,237,500	1,351,473
Tiamat Agriculture Limited	38,505	80,101
DJT Plants Limited	1,438,093	--
Disposals in the year:		
Liberty Herbal Technologies Limited	-	(100,000)
Deductions in the year:		
Impairment	-	(360,000)
Balance at 31 January	**6,966,290**	**2,252,192**

Investments are held at cost less impairment.

There is no reliable measure of the fair value of the investments, and as such it is being held at initial cost less any impairment. The Company assesses at each period end date whether there is any objective evidence that the investment has been impaired.

In respect of investments in DJT and Tiamat, loans and equity are accounted for as a whole as the two items are considered to be indistinguishable and hence the valuation is prepared on a total basis. Of the £3,237,500 DJT investment £146,700 of this amount is attributable to Directors' fees. Throughout the financial year Melissa Sturgess and Charlie Morgan have heavily worked in an operational capacity. Investments in subsidiaries have been designated as fair value through profit and loss account and are revalued at the balance sheet date where allowed. Fair value is determined by the reference to the fair value of the underlying net assets held by the subsidiary undertakings. Revaluation movements are recognised in the profit and loss account but represent unrealised gains and losses.

12. Intangible Assets

GROUP	Licence £	Trade Secrets £	Goodwill £	Total £
Cost				
As at 1 February 2021	**-**	**-**	**-**	**-**
Additions	-	-	-	-
Disposals	-	-	-	-
Acquisitions	-	-	-	-
As at 31 January 2022	**-**	**-**	**-**	**-**
Additions	-	-	-	-
Disposals	-	-	-	-
Acquisitions	2,874,000	330,000	1,266,376	4,470,376
As at 31 January 2023	**2,874,000**	**330,000**	**1,266,376**	**4,470,376**

12. Intangible Assets (continued…)

GROUP	**Licence**	**Trade Secrets**	**Goodwill**	**Total**
	£	**£**	**£**	**£**
Amortisation				
As at 1 February 2021	**-**	**-**	**-**	**-**
Charge for the year	-	-	-	-
Impairment losses	-	-	-	-
Disposals	-	-	-	-
As at 31 January 2022	**-**	**-**	**-**	**-**
Charge for the year	-	-	-	-
Impairment losses	-	-	-	-
Disposals	-	-	-	-
As at 31 January 2023	-	-	-	-
Net book value				
As at 1 February 2021	-	-	-	-
As at 31 January 2022	-	-	-	-
As at 31 January 2023	**2,874,000**	**330,000**	**1,266,376**	**4,470,376**

On 19 December 2022 the Company completed the acquisition of the remaining 50% of DJT Group Ltd (‘DJT Group’) which was not already owned by the Company. The Company commenced and progressed rapidly with the genetic stabilisation programme being carried out by DJT Group’s 100% owned subsidiary DJT Plants Limited’s (‘DJT Plants’) novel genetic stabilisation programme, successfully cultivated a trial cannabis crop in DJT Plants’ unique, carbon efficient & low cost growing environment and renewed DJT Plants’ Home Office cannabis cultivation licence.

The Company settled the acquisition at a cost of £3.2 million for the remaining 50% of DJT Group, with consideration coming in the form of 350,000,000 ordinary shares of the Company (these shares being locked in until 19 December 2025). This price was a discount on the originally contemplated acquisition price of £7.3 million originally agreed in June 2021, the discount being agreed to by the vendors (Anglia Salads Limited) due to the unexpectedly long transaction duration.

13. Acquisition of DJT Group Ltd

On 19 December 2022, the Company acquired the remaining 50% of DJT Group Ltd (‘DJT’). The Company was classified as an investment vehicle until 18 December 2022 and in the previous financial year DJT Group was therefore treated as an investment of Tiamat’s, and therefore not consolidated.

In accordance with FRS 102 Section 19 ‘Business Combinations’, this transaction has been accounting for using the acquisition method of accounting. The consolidated income statement for the year ended 31 January 2023 includes the results of DJT from 19 December 2022, the deemed date of the acquisition (‘Acquisition Date’). The assets and liabilities of DJT have been consolidated from the date of the acquisition using the fair value of their assets and assumed liabilities at that date.

13. Acquisition of DJT Group Ltd (continued…)

The details of the business combination on the Acquisition Date are as follows:

	£
Fair value of consideration transferred	
Amount paid in shares	3,640,000
Recognised amounts of identifiable net assets	
Tangible assets	2,012,000
Cash and cash equivalents	29,653
Other receivables	19,121
Inventories	7,393
Trade payables	(69,121)
Other payables	(110,426)
Intercompany loan	(2,969,750)
Total identifiable net liabilities	(1,081,130)
Goodwill (see Note 12 above)	1,266,376
Licence	2,874,000
Trade Secrets	330,000
Total	**4,470,376**

Goodwill of £1,266,376 recognised is primarily the future earnings potential of existing activities and Group knowhow.

14. Trade and other receivables

	GROUP		COMPANY	
	31 Jan 2023 £	**31 Jan 2022 £**	**31 Jan 2023 £**	**31 Jan 2022 £**
Prepayments	30,218	-	14,443	23,980
Other receivables	164,804	-	101,076	3,420
Amounts due from subsidiaries	-	-	-	83,538
Other debtors	15,122	-	8,223	-
	210,144	**-**	**124,685**	**110,938**

The amounts due from subsidiaries are in relation to small expenses remitted to other group companies, namely Tiamat Australia Pty Ltd and Aristaeus Elements Ltd.

15. Trade and other payables

	GROUP		COMPANY	
	31 Jan 2023 £	31 Jan 2022 £	31 Jan 2023 £	31 Jan 2022 £
Trade Creditors	101,495	-	61,014	68,808
Accruals	682,989	-	662,853	420,415
Directors' Loans	757,897	-	757,897	998,020
Amounts due to subsidiaries	-	-	11	11
Other Creditors	44,103	-	-	-
	1,586,484	**-**	**1,481,775**	**1,487,254**

The Directors' loans are supported by an agreement between the Charles Morgan and the Company dated 31 January 2022, which supersedes the loan agreement dated 3 January 2020. The loans bore interest at 10% per annum, accruing monthly and compounding annually. There are two loan agreements active, one between Charles Morgan and the Company in relation to funds from UK sources £12,790 (2022: £230,654), and a second, again, between Charles Morgan and the Company in relation to funds from non-UK sources £745,011 (2022: £767,270). There is also a very small amount owing to Melissa Sturgess of £96 by way of expenses to be reimbursed. The Company has received letters from both Charles and Melissa confirming that the loans will not be called for repayment for at least 12 months following signing of these accounts.

Amounts owed to subsidiaries are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16. Convertible loan notes ("CLN")

GROUP AND COMPANY	31 Jan 2023 £	31 Jan 2022 £
Convertible loan notes	2,924,812	587,860
	2,924,812	**587,860**

In December 2022 Charles Morgan transfer a proportion of his UK and non-UK directors' loans to Series A and Series B CLNs. The Series A and B CLNs bear interest at a rate of 10% per annum and therefore interest is applied as at 31 January to the sum of £3,872 and £22,538 respectively. On 9 March 2023, Charles Morgan converted all of his series A and B CLNs into 747,264,000 ordinary shares.

In 2021 the Company raised a total of £550,000 in respect of convertible loan notes ("CLNS"). The CLNS will be convertible into ordinary shares in the Company at a price of 1p per share. The CLNs bear interest at a rate of 12.5% per annum. Interest is therefore applied as at 31 January to the sum of £68,750 (2022: £37,860). The proceeds of the CLNs have been used to fund its medical cannabis field trials, to fit out the facility with lab equipment, and to secure the long-term services of key technical personnel.

17. Financial instruments

	GROUP		COMPANY	
	31 Jan 2023	**31 Jan 2022**	**31 Jan 2023**	**31 Jan 2022**
	£	**£**	**£**	**£**
Financial assets				
Financial assets measured at amortised cost	257,224	-	124,685	110,938
Financial liabilities				
Financial liabilities measured at amortised cost	4,511,296	-	4,406,587	2,075,114

Financial assets measured at amortised cost comprise bank account balances, loan notes, amounts due from subsidiaries and accrued interest.

Financial liabilities measured at amortised cost comprise trade creditors, loan notes, amounts due to subsidiaries and accruals.

18. Share capital

Allotted, called up and fully paid	
1,170,554,572 Ordinary shares of £0.002 each	£2,341,110

GROUP AND COMPANY

	£
Share capital	
As at 1 February 2022	1,597,031
Shares issued in the period	744,079
Carried forward 31 January 2023	**2,341,110**
Share premium	
As at 1 February 2022	876,347
Shares issued in year (net of issue costs)	2,592,597
Carried forward 31 January 2023	**3,468,944**

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

19. Cash generated from operating activities

GROUP	**31 Jan 2023**	**31 Jan 2022**
	£	**£**
Loss before tax	(1,139,640)	-
Share based payments	13,711	-
Depreciation	172,284	-
Write-off of assets under construction	37,878	-
Write-off of stocks	7,393	-
Interest payable	247,983	-
Changes in trade and other receivables	(143,566)	-
Changes in trade and other payables	344,604	-

(457,353)	**-**

20. Analysis of changes in net debt

GROUP	1 Feb 2022 £	Cash flows £	Non-cash changes £	31 Jan 2023 £
Cash and cash equivalents	-	18,837	-	**18,837**
Short-term borrowings	-	(1,888,845)	-	**(1,888,845)**
Total	**-**	**1,907,682**	**-**	**1,907,682**

21. Share warrants and options

Share warrants and options outstanding and exercisable at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	No. of shares	Exercise price per share	Estimated Total FMV (£) 31 Jan 2023	Estimated Total FMV (£) 31 Jan 2022
Sep-19	Sep-24	6,300,000	0.0045	7,101	7,101
Jun-19	Jun-24	10,451,389	0.0045	15,250	15,250
Oct-19	Oct-23	4,180,555	0.0045	3,335	3,335
Nov-20	Oct-25	9,282,778	0.0020	7,307	7,307
Nov-20	Oct-25	9,282,778	0.0020	7,307	7,307
Nov-20	Oct-25	4,641,389	0.0045	2,923	2,923
Feb-21	Feb-23	40,000,000	0.0080	7,147	7,147
Feb-21	Feb-23	20,000,000	0.0080	3,573	3,573
Dec-22	Dec-32	60,000,000	0.0060	2,289	-
Dec-22	Dec-32	574,084,000	0.0040	1,494,550	-

The Group has a total of 678,222,889 warrants and options in issue (2022: 193,027,222) and the average exercise price is £0.0047 (2022: £0.0038) per share.

The Group has no legal or constructive obligation to settle or repurchase the options in cash. Options are settled when the Group receives a notice of exercise and cash proceeds from the option holder to the aggregate exercise price of the options being exercised.

On 2 February 2022 HSDL Nominees Limited exercised 416,351 warrants for a consideration of £1,874. Later on in February 2022 Interactive Investor Services Nominees Limited exercised 17,211 warrants for a consideration of £77.

21. Share warrants and options (continued…)

On 10 March 2022 HSDL Nominees Limited exercised 66,370 warrants for a consideration of £299.

In May 2022 the Group announced an exercise of 5,694 warrants at 0.45p per share, together with a further warrant exercise later that month of 5,178,240, again at 0.45p per share, together raising circa £23,000 for the Group.

On 24 May 2023 Paradise Holdings exercised 1,474,697 warrants at 0.45p per share, subsequently, a few days later an additional exercise of warrants took place of 837,007 at the same share price. Both warrant exercises raised approximately £10,500 for the Group.

The Black Scholes model has been used to fair value the options, the inputs into the model were as follows:

	19-Jun	**19-Sep**	**19-Oct**	**20-Nov**
Current Price (£)	0.0032	0.00265	0.0023	0.00019
Option Exercise Price (£)	0.0045	0.0045	0.0045	0.0002
Expected Life of Options in years	5	5	4	5
Volatility	80%	80%	80%	50%
Dividend Yield	-	-	-	-
Risk free interest rate	0.63%	0.51%	0.36%	0.36%

	21-Feb	**22-Dec**	**22-Dec**
Current Price (£)	0.006	0.005	0.005
Option Exercise Price (£)	0.008	0.006	0.004
Expected Life of Warrants in years	2	3	10
Volatility	20%	25.6%	25.6%
Dividend Yield	-	-	-
Risk free interest rate	1.044%	3.577%	3.577%

The risk-free rate of return is based on 2, 5 and 10 year bond yields.

22. Research & Development

The Group have applied for research and development relief. The Group have set up a defined research and development team to look into the consistent genetic stability and quality across all facets of THC^2 cannabis to meet the criteria of the Medicines and Healthcare Regulatory Agency. The Group have calculated that approximately £161,385 (2022: £76,767) is due from H.M. Revenue & Customs in relation to these tax relief returns.

23. Earnings per share

Earnings per share is calculated by dividing the loss for the period attributable to ordinary equity shareholders of the parent by the number of ordinary shares outstanding during the year.

During the year the calculation for the Group was based on the loss before tax for the year of £1,139,639 divided by the weighted number of ordinary shares 850,991,271.

During the year the calculation for the Company was based on the loss before tax for the year of £954,015 (2022: £970,343) divided by the weighted number of ordinary shares 850,991,271 (2022: 721,530,981).

Convertible loan notes were issued during the financial year which will dilute the earnings per share valuation as and when they are converted.

24. Investment in Subsidiary

Name	Address of the registered office	Nature of business	Proportion of ordinary shares held by parent (%)
DJT Plants Ltd	Bank House, Broad Street, Spalding, PE11 2HL	Supporting activities for crop production	100
Tiamat Agriculture Ltd	Ibex House, 61 Baker Street, Weybridge, KT13 8AH	Wholesale of pharmaceutical goods	100
DJT Group Ltd	Norfolk House Farm, Gedney Marsh, Holbeach, Spalding, Lincolnshire, PE12 9PB	Growing of vegetables and melons, roots and tubers	100
Aristaeus Elements Limited	Bank House, Broad Street, Spalding, PE11 2HL	Manufacture of oils and fats, Manufacture of other organic basic chemicals, Manufacture of essential oils	100
Tiamat Australia PTY LTD	PO Box 1100, West Perth, WA, 6872, Australia	N/A	100

On 19 December 2022 the Company acquired the remaining 50 per cent of the outstanding ordinary shares of DJT Plants Ltd (‘DJT) indirectly through their subsidiary, Tiamat Agriculture Ltd (‘Tiamat’). As a result of the acquisition, the Group are expected to be the leading UK grower and provider of high quality, consistent, carbon zero medical cannabis for the UK and international markets. It also expects to reduce costs through economies of scale.

The goodwill of £1,266,376 arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the Company and DJT.

None of the goodwill recognised is expected to be deductible for income tax purposes.

The cost of the Group’s investment in DJT on the face of the Group’s balance sheet consists of the acquisition cost of £3,640,000 in respect of the subsidiary’s share capital and £4,470,376 representing the goodwill, licence and trade secrets.

Tiamat Agriculture – a fully owned subsidiary of the Company. Tiamat was established during 2019 in order to facilitate the sales of pharmaceutical goods.

Aristaeus Elements – a fully owned subsidiary of the Company. Aristaeus was established in 2019 in order to investigate the extraction of cannabinoids by different methods.

25. Post Balance Sheet Events

a. Acquisition of MRX

Ananda announced on 27 March 2023 that the Company had acquired 100% of the issued share capital of MRX Global Ltd ("MRX Global") and its subsidiary, MRX Medical Ltd ("MRX") (the "Acquisition") , following a vote of the shareholders at a General Meeting at which 99.999% of shares that voted were in favour of the acquisition.

MRX has invented a proprietary method to formulate cannabis medicines, the first of which, MRX1, is to be used in two Phase II Randomised Controlled Trials (RCTs) to investigate the effectiveness of cannabidiol (CBD) in chemotherapy induced peripheral neuropathy (CIPN) and in patients with endometriosis. MRX's cannabidiol formulations meet the requirements set out by the National Institute for Health and Care Excellence (NICE)) and the National Institute for Health and Care Research (NIHR) for research into the effectiveness of CBD with no or trace tetrahydrocannabinol (THC). MRX1 and MRX2, MRX's second formulation, will also be launched as unlicensed CBPM's (Cannabis Based Products for Medicinal use) in the coming months.

The clinical trials have received combined commitments of £1.55 million, gross of issue costs, in external grant funding and will be carried out by leading investigators at the University of Edinburgh.

Following completion of the acquisition, the Company appointed Jeremy Sturgess-Smith and Professor Clive Page as Directors of the Company.

Clive is a Professor of Pharmacology at King's College London, and Director of the Sackler Institute of Pulmonary Pharmacology. Clive's main research interests are in the pharmacology of inflammation and respiratory diseases, and he has published over 250 scientific papers. Clive was the 2006 co-founder and previous Chairman of AIM quoted Verona Pharma plc, which is now capitalized at more than $1 billion and quoted on NASDAQ.

Jeremy is responsible for Ananda's corporate finance and investor relations and is a committee member of the Prescription Working Group of the Cannabis Industry Council. Jeremy is also a director of MRX Global and MRX Medical, and the Chief Operating Officer of Standard Listed URA Holdings plc.

At the same time, the Company announced that it had raised £427,400, gross of issue costs, via the issue of new ordinary shares at £0.003 via a private subscription and a broker option.

At this time, Charles Morgan's £2,241,792 of Convertible Loan Notes were converted into ordinary shares of the Company at £0.003 for 747,264,000 shares.

Since the close of the MRX acquisition GM, Ananda has moved its corporate finance adviser and Broker to SP Angel Corporate Finance LLP and also, the MRX team has progressed the business significantly. This includes agreeing to list the MRX unlicenced oils on three separate specialist clinic formularies, the launch of the MRX website, in June 2023, the website is designed to inform potential prescribing clinicians of the dosing regimen recommended for MRX. In May 2023, the Company also announced that MRX had filed patents over three cannabinoid formulations: MRX1, MRX2 and its most recently invented formulation MRX3. These formulations are being developed as cannabidiol-based medicines for the treatment of a number of complex inflammatory indications which are unmet by existing treatments. A fourth application was also filed which covers a proprietary method for formulating these products.

On 10th July 2023 Home Office representatives visited DJT Plants' facility. This visit was a compliance visit as per the terms of the DJT licence and standard Home Office practice and the visit was successful. Two seasons of cultivation trials have now been undertaken and the genetic stabilisation programme is at the third generation of seeds. As a result, this phase of research is now complete and DJT's costs will reduce whilst the Company continues to plan for commercial cultivation.

25. Post Balance Sheet Events (continued…)

On 27 July 2023, the Company announced that MRX had signed a manufacturing agreement with a contract manufacturing organisation, confirming the launch of its two initial unlicenced cannabinoid oils MRX1 and MRX2.

For full details of these events, please refer to the announcements linked below.

Acquisition, subscription & conversion of loan notes: https://anandadevelopments.com/wp-content/uploads/2023/03/09032023-Acquisition-of-MRX-and-Subscription.pdf
Secondary placing & broker option: https://anandadevelopments.com/wp-content/uploads/2023/03/17032023-Additional-Subscription-and-Result-of-Broker-Option.pdf
Result of General Meeting: https://anandadevelopments.com/wp-content/uploads/2023/03/17032023-Additional-Subscription-and-Result-of-Broker-Option.pdf
Notice of General Meeting: https://anandadevelopments.com/wp-content/uploads/2023/03/Ananda-Notice-of-GM-032023.pdf
Appointment of Corporate Finance Adviser and Broker: https://anandadevelopments.com/wp-content/uploads/2023/05/15052023-Appt-Corporate-Adviser-Broker-FINAL.pdf
Filing of Patent Applications: https://anandadevelopments.com/wp-content/uploads/2023/05/17052023-Patent-Applications-Filed.pdf
First Cannabinoid Medicines Launched: https://anandadevelopments.com/wp-content/uploads/2023/07/20230725-launch-of-MRX1-and-2_final_CLEAN_v2.pdf

26. Related party transactions

Details of the Directors' remuneration can be found in Note 6. Key Management Personnel are considered to be the Directors.

Melissa Sturgess and Charles Morgan, both Directors of the Company, hold CLNs to the value of £125,000 and £2,366,793 respectively. For further details on the CLNs please refer to Note 16.

Melissa Sturgess and Charles Morgan are both Directors of Tiamat Agriculture Limited ('Tiamat'). Tiamat is a 100% subsidiary of the Company. Tiamat is a holding Company within the Group and does not have an operational function.

Charles Morgan and the Company have two loan agreements in place, both dated 31 January 2022. The current loan agreements supersede the director's loan agreement dated 3 January 2021. The loans bore interest at 10% per annum, accruing monthly and compounding annually. The loans are repayable in full, together with accrued interest, on or before 31 December 2023. There are two loan agreements, one being between Charles Morgan and the Company in relation to funds from UK sources and a second, between Charles Morgan and the Company in relation to funds from non-UK sources. Directors' loan balances were outstanding as at year end of £757,897 (2022: £998,020). This is including any interest payable. Interest payable has been calculated at £77,604 (2022: £21,056).

A debt of £497,662 (2022: £460,732) was owed by Tiamat as at the year end. This is excluding any interest payable. The nature of the transactions were mainly consultancy and legal fees.

A debt of £2,789,567 (2022: £1,351,473) was owed by DJT as at the year end. This is excluding any interest payable. The nature of the transactions before the acquisition were predominately assets in the course of construction, salaries and consultancy expenditure.

27. Controlling party

The Directors believe there to be no ultimate controlling party.