Company Registration No. 06010900 (England and Wales)

DISCOVORE PLC

(FORMERLY EUROCANN INTERNATIONAL PLC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020

DISCOVORE PLC
(FORMERLY EUROCANN INTERNATIONAL PLC)
COMPANY INFORMATION

Directors	Mr C Windham	
	Mr S T Bhohi	
	Mrs N Ragoonanthun	(Appointed 27 April 2021)
Secretary	Mr S F Ronaldson	
Company number	06010900	
Registered office	Salisbury House London Wall London EC2M 5PS	
Auditor	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD	

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(FORMERLY EUROCANN INTERNATIONAL PLC)
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DISCOVORE PLC
(FORMERLY EUROCANN INTERNATIONAL PLC)
STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2020

The directors present the strategic report for the year ended 30 November 2020.

Company Strategy, Business Review and Future Developments

In 2019, the Company adopted a broader investment policy, enabling DiscovOre plc to invest in medical cannabis opportunities. 2020 and subsequently 2021 saw a noticeable increase in demand from investors and financiers seeking exposure to this new industry class, with listings in 2021 including Kanabo Group plc, MGC Pharmaceuticals Ltd, and Cellular Goods plc seeking admission of their shares to the London Stock Exchange, with all three companies achieving oversubscribed fundraises.

The activity in capital markets and apparent consumer and investor interest to participate validated the Company's decision to retain an active review of potential investment opportunities in the sector whilst also looking to further diversify its investment policies so as to allow enhanced flexibility, and investment opportunities that could generate short, medium, and long-term returns for the Company and our shareholders.

To this end, the Company remains in active review of potential opportunities as permitted under our investment policy.

Of perhaps most significance for our financial year-end, was the Company's desire not to raise capital via equity or debt until the Directors of the Company had compelling reasons to do so. I am pleased to report that the Company diligently kept corporate overheads low and used its treasury to invest in both listed and unlisted investment opportunities to self-finance its operations.

In late 2020, after much discussion, the Company posted a circular for its AGM, including a change of name and seeking the consent of shareholders to invest in special situations in the event an opportunity demonstrated clear value accretion for shareholders. This addition to the Company's existing investment policy has allowed for increased exposure to deal-flow, broader engagement on investment opportunities, and the ability to secure opportunities that can perform when sentiment is on side, rather than being restricted to isolated asset classes for investment purposes.

2020 proved a challenging year for many as the world was struck by the global Covid 19 pandemic. The Board and I wish to extend our thoughts and well wishes to all our shareholders in what has been a challenging time, and to thank all for their continued support.

Post-Year End Review

On 28 April 2021, the Company announced that its corporate broker had raised gross proceeds before expenses of £3,500,000 in a brokered financing at 2p per share through the issue of 175,000,000 ordinary shares of the Company.

The financing was supported by a number of high-profile investors in the industry. In conjunction with this financing, the Company announced that it would be seeking the consent of shareholders to adopt an investment policy that will enable it to invest in the field of medical psychedelics. The adoption of this investment policy would see DiscovOre plc as one of the only investment issuers in the U.K. market that has a diversified investment policy with a specific focus on providing exposure to the fast-developing alternative health care industry through investment policies covering medical cannabis and medical psychedelics.

The appetite for such an investment vehicle was expressed in the quantum raised.

The primary focus of this proposed investment strategy will be to invest in businesses or assets involved in the development of potential treatments for mental health issues, which include, but are not limited to:

- Drug-resistant depression
- Anxiety
- Addiction
- Post-Traumatic Stress Disorder

The Company welcomed Mrs Narisha Ragoonanthun to the Board of Directors as its Chief Financial Officer on the 27 April 2021. Mrs Ragoonanthun is a South African qualified Chartered Accountant who has extensive experience providing audit and accounting advice to listed clientele in Europe, Asia and the Americas. Mrs Ragoonanthun also has specific industry experience with the public sector, natural resources, online gaming and start-up organisations.

The Company further announced that Jeremy Ross, Non-Executive Director of the Company, resigned on the 27 April 2021.

With a robust treasury, management change, and a conditionally broadened investment strategy, DiscovOre plc is in a strong position to leverage its investment strategy and create a unique investment issuer providing investors exposure to opportunities for which few are available in the current market place. We view the future for the Company with great confidence.

Principle Business Risks And Uncertainties

The following are the key business risks and uncertainties that the board has identified:

Acquiring Less than Controlling Interests
The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

Inability to Fund Operations Post-Acquisition
The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding, however, the Company will ensure that appropriate funding measures are taken to ensure minimum commitments are met. The current global pandemic, Covid-19, may make obtaining of sufficient funds more challenging.

The Company's Relationship with the Directors and Conflicts of Interest
The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition. The Directors are not obliged to commit their whole time to the Company's business; they will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs.

Suitable Acquisition Opportunities may not be Identified or Completed
The Company's business strategy is dependent on the ability of the Directors to identify sufficient suitable acquisition opportunities. If the Directors do not identify a suitable acquisition target, the Company may not be able to fulfil its objectives. Furthermore, if the Directors do not identify a suitable target, the Company may not acquire it at a suitable price or at all. In addition, if an acquisition identified and subsequently aborted the Company may be left with substantial transaction costs.

Risks Inherent in an Acquisition
Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assistance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors then a direct investment, if such an opportunity were available, in a target business.

Reliance on External Advisors
The Directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted to fail to perform as required.

Failure to Obtain Additional Financing to Complete an Acquisition or Fund a Target's Operations
There is no guarantee that the Company will be able to obtain any additional financing needed to either complete an acquisition or to implement its plans post acquisition or, if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business. The current global pandemic, Covid-19, may make obtaining of sufficient funds more challenging.

Reliance on Income from the Acquired Activities
Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide the sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

Restrictions in Offering Ordinary Shares as a Consideration for an Acquisition or Requirements to Provide Alternative Consideration.

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as a consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

Funding

At the time of writing, the Company has successfully raised £3,500,000 through a brokered financing led by the company's Corporate Broker, Peterhouse Capital Limited. The quantum raised reduces the company's short and medium term dependency on raising capital. The company raises capital to meet its expenses and to fulfil its investment strategy. The Company endeavours to maintain modest and manageable overheads to ensure capital can be best deployed to endeavour to create value for shareholders through investing in assets or businesses.

Security of Listing on Aquis Stock Exchange

The Company recognises the benefits of having its stock quoted on a public market, which enables it to access capital, as required, through having access to a wider investor base than would be the case if its shares were unlisted. The Board believes that the success of the Company is enhanced and better expedited through having its shares quoted on a public market such as the Aquis Stock Exchange.

Were the Company not to have its shares quoted on a public market then the Board believes that the viability of the Company would be unaffected, but that the progress it would make and the commercial opportunities it could enter into would be negatively affected.

Investment Performance

Investing in other businesses and assets has, by its nature, risks and uncertainties. If an investment in a business or an asset performs negatively then this will have an adverse effect on the Company's potential for performance and growth. The Board tries to mitigate such risks through prudent capital allocation and thorough due diligence, such that if an investment performs poorly this will not unduly decimate the Company's portfolio and building value for its shareholders.

Section 172 (1) Statement

The Directors are required to make a statement which describes their attitude with regard to matters set out in Section 172 (1) of the Companies Act 2006, namely:

Duty to promote the success of the company

(a) The likely consequences of any decision in the long term
(b) The interests of the company's employees
(c) The need to maintain the company's business relationships with suppliers, customers and others
(d) The impact of the company's business relationships with suppliers, customers and others
(e) The desirability of the company maintaining a reputation for high business conduct
(f) The need to act fairly between members of the company

Section 172 Statement

The Directors of the company commit to maintaining high operating standards and fiscal discipline and frequently communicate and engage with each other in order to consider and understand the underlying issues within the organisation. In order to enhance the standards of the business, the Board considers the global landscape that may present impediments to the business.

The Board maintains a disciplined internal evaluation process that is used to identify opportunities consistent with its underlying investment strategy that are determined as suitable investment opportunities. Thorough internal and external analysis is completed and of much significance is a pre-determined exit strategy with an associated timeframe for realisation of value.

The company is committed to the highest levels of integrity and transparency with stakeholders.

Stakeholders include, suppliers, government and regulatory agencies, service providers and shareholders. The Board, both individually and together, consider that they have acted in the way they consider would be most likely to promote the success of the Company as a whole. In order to do this, there is a process of dialogue with stakeholders to understand the uses that they might have. Communications with shareholders occur on an ongoing basis and as questions arise.

Transparency and integrity are central themes for the Company’s Directors. The Directors of the company strive to provide our stakeholders with timely and informative responses.

The Board recognises its responsibilities under Section 172 as outlined above and has acted at all times in a way consistent with promoting the success of the Company with regard to all stakeholders.

On behalf of the board

....
Mr S T Bhohi
Director
....

The directors present their annual report and financial statements for the year ended 30 November 2020.

Principal activities

DiscovOre plc is an investment company listed on the AQSE Growth Market of the AQUIS Stock Exchange. The Company has adopted a versatile set of investment policies that reflects the skill sets of the Company's Board of Directors.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C Windham	
Mr J Ross	(Resigned 27 April 2021)
Mr S T Bhohi	
Mrs N Ragoonanthun	(Appointed 27 April 2021)

Results and dividends

The results for the year are set out on page 13.

The directors do not recommend payment of a dividend.

Directors' interests

As at 30th November 2020, Burns Singh Tennent-Bhohi had an interest in 3,500,000 shares (2019: 3,500,000) ordinary shares of £0.0001 each and 2,000,000 (2019: 2,000,000) share options with an exercise price of £0.025. As at 30th November 2020 Conrad Windham had an interest in 770,132 ordinary shares of £0.0001 each and 1,000,000 (2019: 1,000,000) share options with an exercise price of £0.025. As at 30th November 2020 Jeremy Ross (a former Director) had an interest in 3,624,520 ordinary shares of £0.0001 each and 2,000,000 (2019: 2,000,000) share options with an exercise price of £0.025.

Financial instruments

Details of the company's financial risk management objectives and policies are included in note 19 to the accounts.

Auditor

PKF Littlejohn LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the business review and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

....
Mr S T Bhohi
Director
....

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2020

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 then apply them consistently;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure and explained in the financial statements;
- make judgements 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Opinion

We have audited the financial statements of DiscovOre plc (the 'company') for the year ended 30 November 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

Our application of materiality

Overall materiality was set at £9,000 based on 5% of net assets. Net assets was used as the basis of materiality as the Company is not yet revenue generating and based on our professional judgement, is the principal benchmark within which the financial statements are relevant to members of the company
Performance materiality was calculated at 60% of materiality being £5,400. Performance materiality was set at 60% to reflect the medium risk nature of the audit.
We have agreed with those charged with governance that we would report all audit differences in excess of £450 as well as differences below these thresholds that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit

In designing our audit we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we considered the areas involving significant accounting estimates and judgements by those charged with governance including future events that are inherently uncertain and as such, the valuation of investments was considered to constitute a Key Audit Matter. The company's accounting function is based in the United Kingdom and our audit was performed remotely with regular contact with the company throughout.

TO THE MEMBERS OF DISCOVORE PLC

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit responded to the key audit matter
Valuation, classification and disclosure of investments (see note 9)	
The Company holds both listed and unlisted investments amounting to £289,637 (2019: £48,778). Provisions for impairment have been previously recognised against unlisted investments. The valuation of the unlisted investments under level 3, where inputs are unobservable (market data is unavailable), is subjective and involves measurement factors. The choice of valuation methodology, together with the absence of reliable information, makes the valuation judgmental. There is therefore a risk that the value of the unlisted investments is materially misstated. The classification of investments between non current and current investments is judgemental and there is therefore a risk that they might be incorrectly classified in the financial statements	Our work in this area included: Reviewed the valuation methodology for the unlisted investments held and ensured that the carrying values are supported by sufficient and appropriate audit evidence; Reviewed the movement in investments to ensure it is accounted for and disclosed correctly; Reviewed the valuation basis adopted, challenged management over the assumptions made in their valuations and ensure it complies with industry best practice and accounting practice; Ensured that appropriate disclosures surrounding any estimates and judgements made regarding their valuations.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: https://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.

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP ....

Chartered Accountants
Statutory Auditor

15 Westferry Circus
London
E14 4HD

DISCOVORE PLC
(FORMERLY EUROCANN INTERNATIONAL PLC)
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	2020 £	2019 as restated £
Administrative expenses		(121,421)	(299,829)
Interest receivable and similar income	6	73	4,092
Investment gains / (losses)	7	222,057	(214,996)
Profit/(loss) before taxation		100,709	(510,733)
Taxation	8	-	-
Profit/(loss) for the financial year		100,709	(510,733)

The profit and loss account has been prepared on the basis that all operations are continuing operations.
There was no other comprehensive income for 2020 (2019: NIL)

Basic earnings per share	9	0.003	(0.03)
Diluted earnings per share	9	0.002	(0.03)

The notes on pages 17 to 30 form part of these financial statements.

DISCOVORE PLC
(FORMERLY EUROCANN INTERNATIONAL PLC)
BALANCE SHEET

AS AT 30 NOVEMBER 2020

		2020		2019 as restated	
	Notes	**£**	**£**	**£**	**£**
Non-current assets					
Investments	**10**		89,950		-
Current assets					
Debtors	**11**	3,756		13,930	
Investments	**12**	199,687		48,778	
Cash and cash equivalents		23,288		101,448	
		226,731		164,156	
Creditors: amounts falling due within one year	**14**	(77,420)		(25,604)	
Net current assets			149,311		138,552
Total assets less current liabilities			239,261		138,552
Capital and reserves					
Called up share capital	**15**		1,210,810		1,210,810
Share premium account			1,452,549		1,452,549
Other reserves			29,753		29,753
Profit and loss reserves			(2,453,851)		(2,554,560)
Total equity			239,261		138,552

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

....
Mr S T Bhohi
Director

Company Registration No. 06010900

The notes on pages 17 to 30 form part of these financial statements.

DISCOVORE PLC
(FORMERLY EUROCANN INTERNATIONAL PLC)
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 December 2018		1,208,059	1,067,510	-	(2,043,827)	231,742
Year ended 30 November 2019:						
Loss for the year		-	-	-	(510,733)	(510,733)
Issue of share capital	**15**	2,751	409,792	-	-	412,543
Other movements		-	(24,753)	29,753	-	5,000
Balance at 30 November 2019		1,210,810	1,452,549	29,753	(2,554,560)	138,552
Balance at 1 December 2019 as previously stated		1,210,810	1,150,383	239,369	(2,492,010)	108,552
Prior Year Adjustment	**22**	-	302,166	(209,616)	(62,550)	30,000
Balance at 1 December 2019 as restated		1,210,810	1,452,549	29,753	(2,554,560)	138,552
Year ended 30 November 2020:						
Profit for the year		-	-	-	100,709	100,709
Balance at 30 November 2020		1,210,810	1,452,549	29,753	(2,453,851)	239,261

Other reserves arise on the issue of share options / warrants.

The notes on pages 17 to 30 form part of these financial statements.

DISCOVORE PLC
(FORMERLY EUROCANN INTERNATIONAL PLC)
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2020

		2020		2019	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash absorbed by operations	**20**		(59,431)		(130,836)
Investing activities					
Purchase of investments		(87,738)		(15,000)	
Proceeds from other investments and loans		68,936		37,659	
Interest received		73		93	
Net cash (used in)/generated from investing activities			(18,729)		22,752
Financing activities					
Proceeds from issue of shares and warrants		-		209,492	
Net cash (used in)/generated from financing activities			-		209,492
Net (decrease)/increase in cash and cash equivalents			(78,160)		101,408
Cash and cash equivalents at beginning of year			101,448		40
Cash and cash equivalents at end of year			23,288		101,448

The notes on pages 17 to 30 form part of these financial statements.

1 Accounting policies

Company information

Discovore PLC is a public company limited by shares incorporated in England and Wales. The registered office is Salisbury House, London Wall, London, EC2M 5PS. On 26 June 2020 the Company changed its name from Eurocann International plc to DiscovOre plc.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The Directors have considered the cash flow requirements of the company over the next 12 months in the light of the £3.5m fund raising that occurred in April 2021. This fund raising provides the Company with sufficient resources to both meet its operational expenditure over the next 12 months along with opportunities for investment in accordance with the Company's objectives. Therefore, the Directors believe that the going concern basis is appropriate for the preparation of the financial statements.

The Directors have also considered the COVID-19 global pandemic and whether any adjustments are required to reported amounts in the financial statements. Given the nature of the Company's activities and its recent fund raising, the Directors are satisfied that no such adjustments are required.

1.3 Investments

Shares in listed investments are based on quoted markets prices for an identical asset in an active market. Shares in unlisted investments, in the absence of an active market or recent transactions in an identical market, are base on a valuation technique.

1.4 Cash and cash equivalents

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

1.5 Financial instruments

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

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

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

1 Accounting policies (Continued)

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

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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

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

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

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

1 Accounting policies **(Continued)**

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

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

1.7 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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

1.8 Share-based payments

Equity-settled share-based payments in respect of employees' services are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. Equity share based payments in respect of services from other parties are valued at the fair value of the services received. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1 Accounting policies **(Continued)**

1.9 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included on the profit and loss account, except of the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such items, any exchange component of that gain or loss is also recorded directly in equity.

1.10 Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

1.11 Administrative Expenses

Administrative expenses are recognised in profit or loss when a decrease in future economic benefits related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. These are recognised in profit or loss in the period when these are incurred.

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Fair value of unlisted investments

Shares in unlisted investments are valued at cost less provision for impairment where they cannot be measured reliably. When assessing whether or not an investment is impaired, which is a critical judgment, the directors consider matters which include estimation uncertainty such as expected profitability, the related cash flows and an assessment of the time value of money to determine the investments value at the reporting date.

Valuation of equity settled share based payments and warrants

During the prior year the Company issued share options that have been accounted for as equity settled share based payments. The company has also acquired warrants attached to certain investments. Determining the fair value of these instruments is a critical judgment. The Company has used the Black Scholes model to value both the share options and warrants and used inputs, which are an area of key estimation uncertainty, based on observable market data such share prices, risk free interest rate and volatility.

3 Operating loss

Operating loss for the year is stated after charging:	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's financial statements	14,000	14,400
Share-based payments	-	5,000

4 Employees

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

	2020 Number	2019 Number
Directors	3	3

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	61,571	39,375

5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	61,571	39,375

The directors are considered to be the only key management personnel within the company.

Details of directors entitlements under long-term incentive schemes are detailed in note 16.

6 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	73	92
Other interest income	-	4,000
Total income	73	4,092

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	73	92

7 Investment gains / (losses)

	2020 £	2019 £
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	199,011	5,172
Other gains/(losses)		
Gain/(loss) on disposal of investments	23,046	(220,168)
	222,057	(214,996)

8 Taxation

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 as restated £
Profit/(loss) before taxation	100,709	(510,733)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	19,135	(97,039)
Tax effect of expenses that are not deductible in determining taxable profit	-	65,834
Tax effect of income not taxable in determining taxable profit	(37,813)	-
Unutilised tax losses carried forward	18,678	31,205
Taxation charge for the year	-	-

8 Taxation (Continued)

At 30 November 2020 the company had trading tax losses of £1,296,229 (2019: £1,197,924) to carry forward. The main rate of corporation tax for the year was 19%. In the March Budget it was announced that legislation will be introduced in the Finance Act 2021 to increase the rate of corporation tax to 25% from 1 April 2023.

No deferred tax asset has been recognised as recovery of the tax losses in not currently considered probable.

9 Earnings per share

Basic Earnings per share are calculated by dividing net result for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. The weighted average number of shares outstanding for 2020 was 35,556,549 (2019: 20,260,458). The number of ordinary shares used in the calculation in 2019 have been adjusted for the share consolidation that occurred on 21 June 2019.

Diluted Earnings per share amounts are calculated by dividing the net result attributable to ordinary equity holders of the parent after adjustments for instruments that dilute basic earnings per share by the weighted average of ordinary shares outstanding during the period (adjusted for the effects of dilutive instruments). The weighted average number of shares, including dilutive instruments, outstanding for 2020 was 42,432,416. In 2019, as the Company was loss making the effect of any share options were anti-dilutive so there were no dilutive instruments.

Year ended 30 November 2020	**Earnings (£)**	**Weighted average number of shares**	**Per share amount (£)**
Basic EPS			
Earnings attributable to ordinary shareholders	100,709	35,556,549	0.003
Effect of dilutive securities			
Options	-	6,875,867	-
Diluted EPS			
Adjusted earnings	100,709	42,432,416	0.002

Year ended 30 November 2019 (as restated)	**Earnings (£)**	**Weighted average number of shares**	**Per share amount (pence)**
Basic EPS			
Earnings attributable to ordinary shareholders	(510,733)	20,260,458	(0.03)
Effect of dilutive securities			
Options	-	-	-
Diluted EPS			
Adjusted earnings	(510,733)	20,260,458	(0.03)

10 Non-current asset investments

	2020 £	2019 £
Unlisted investments	89,950	-

Movements in Non-current asset investments

	Investments £
Cost or valuation	
At 1 December 2019	-
Additions	14,700
Change in market value	75,250
At 30 November 2020	89,950
Carrying amount	
At 30 November 2020	89,950
At 30 November 2019	-

Non-current investments include warrants with a fair value of £75,250 and unlisted shares with a fair value of £14,700. These have been valued using a level 3 valuation technique. In respect of the warrants, the valuation technique adopted compares the strike price and the underlying share price at the Year End date to calculate the intrinsic value.

11 Debtors

Amounts falling due within one year:	2020 £	2019 £
Other debtors	636	10,810
Prepayments and accrued income	3,120	3,120
	3,756	13,930

12 Current asset investments

	2020 £	2019 £
Listed investments	199,687	28,778
Unlisted investments	-	20,000
	199,687	48,778

13 Movements in Current asset investments

	Investments
	£
Cost or valuation	
At 1 December 2019	48,778
Additions	73,038
Change in market value	123,761
Disposals	(45,890)
At 30 November 2020	199,687
Impairment	
At 1 December 2019 & 30 November 2020	-
Carrying amount	
At 30 November 2020	199,687
At 30 November 2019	48,778

14 Creditors: amounts falling due within one year

	2020	2019 as restated
	£	£
Trade creditors	43,707	1,020
Other creditors	18,713	3,500
Accruals and deferred income	15,000	21,084
	77,420	25,604

15 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
35,556,549 Ordinary shares of 0.01p each	3,556	3,556
8,053,724 Deferred shares of 14.99p each	1,207,254	1,207,254
	1,210,810	1,210,810

No shares were issued during the year.

Ordinary:
The shares have attached to them full voting, dividend and capital distribution (including winding up) rights; they do not confer any rights of redemption.

Deferred:
The holders of Deferred shares shall not be entitled to receive any dividend or distribution and only be entitled to any repayment of capital on winding up once the holders of Ordinary Shares have received £1,000,000 respect of each Ordinary share held by them.

16 Share options

The company occasionally issues share options to Directors and service provides/officers of the company. They are settled in equity once exercised. Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

During the year, the company recognised a total share-based payment expense of £nil (2019: £5,000 – Please refer to note 20. Prior Year Adjustments), all of which related to equity settled share-based payment transactions. The fair value of options granted is calculated using a Black-Scholes pricing model. The model is internationally recognised as being appropriate to value employee share schemes. The significant assumptions used for valuing the share options as at 31 December 2019, include (i) volatility of 23%, (ii) risk-free interest rate of 1.8%, and (iii) expected life of 5 years.

Number of Options	Grant Date	Strike Price	Fair Value	Exercise Period
5,000,0000	21 June 2019	2.5p	0.001p	21 June 2024

17 Events after the reporting date

In April 2021, the company successfully completed a £3,500,000 equity finance, Mr Jeremy Ross resigned from the Board of Directors and Mrs Narisha Ragoonanthun was appointed Director & Chief Financial Officer. The company also announced that it would be looking to adopt a new investment strategy surrounding investment in the medical psychedelics industry subject to requisite legal approval and the consent of the company’s shareholders.

Please refer to the strategic report for further details of events after the reporting date.

18 Related party transactions

The Company incurred fees of £13,750 (2019: £15,150) to Not Remotely Ltd, a company controlled by Mr C Windham, in relation to the services of Mr C Windham. Service fees are non interest-bearing, unsecured and payable in cash upon demand. He was reimbursed £188 (2019: £415) of expenses. Other creditors includes an amount of £3,500 (2019:£3,500) owing to Mr C Windham.

The Company incurred fees of £48,000 (2019: £16,500) to Glenpani Capital Ltd, a company controlled by Mr S T Bhohi, in relation to the services of Mr S T Bhohi. Service fees are non interest-bearing, unsecured and payable in cash upon demand. Outstanding payable related to service fees amounted to £26,603 (2019: £nil). During the year, Mr B ST Bhohi advanced the company in the form of a loan, £15,000. The Loan bears no interest and is repayable at demand of the lender, this loan remained outstanding at the Year End. Other creditors include an amount of £27,328 (2019: £0), owing to Glenpani Capital Ltd, a company controlled by Mr B ST Bhohi.

19 Financial risk management objectives and policies

The company holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the company's operations.

Financial assets by category

	2020 £	2019 £
Current Assets:		
Trade and other receivables	636	10,810
Cash and cash equivalents	23,288	101,448
Categorised as financial assets at amortised cost	23,924	112,258

Financial liabilities by category

	2020 £	2019 as restated £
Current Liabilities:		
Trade and other payables	62,420	16,020
Accruals	15,000	21,084
Categorised as financial liabilities at amortised cost	77,420	37,104

20 Cash absorbed by operations

	2020 £	2019 £
Profit/(loss) for the year after tax	100,709	(510,733)
Adjustments for:		
Investment income	(73)	(4,092)
Non cash transaction costs	-	115,500
(Gain)/loss on sale of investments	(23,046)	220,168
Fair value movements (see Note 7)	(199,011)	(5,172)
Equity settled share based payment expense	-	5,000
Effect of prior period adjustments		87,550
Movements in working capital:		
Decrease in debtors	10,174	9,041
Increase/(decrease) in creditors	51,816	(48,098)
Cash absorbed by operations	(59,431)	(130,836)

21 Analysis of changes in net funds

	1 December 2019 £	Cash flows £	30 November 2020 £
Cash and cash equivalents	101,448	(78,160)	23,288

22 Prior Period Adjustments

The 2019 statement of comprehensive income, balance sheet, changes in equity and cash flows have been restated to account for the issues described below in the details of prior year adjustment. No third balance sheet is presented as the errors occurred solely in the prior period and effects that year only.

Statement of Comprehensive Income (extract)

	note	Year Ended 30 November 2019
Loss per signed accounts 2019		448,183
Correction of share based payment expense	i	5,000
Expenses omitted in the prior year	ii	57,550
Restated loss for 2019		**510,733**

Earnings Per Share

As a result of the prior year adjustments, the Earnings per Share have been recalculated as follows:

	Signed Accounts as at 30 November 2019	Restated as at 30 November 2019
Basic and Diluted EPS	(0.02)	(0.03)

Statement of Financial Position (extract)

	Note	Signed Accounts as at 30 November 2019	Adjustments	Restated as at 30 November 2019
Creditors				
Trade Creditors	iv	31,020	(30,000)	1,020
Capital and Reserves				
Share Premium Account	iii	1,150,383	302,166	1,452,549
Other Reserves	i, iii	239,369	(209,616)	29,753
Profit & Loss Reserves	i, ii	(2,492,010)	(62,550)	(2,554,560)

22 Prior Period Adjustments (Continued)

Details on prior year adjustments made:

i) The value of the share-based payments in respect of the Share Options issued to Directors was incorrectly calculated due to inaccurate inputs into the Black Scholes model. The recalculated value of £5,000 has been included as an expense in the year and in the share-based payment reserve.

ii) Invoices for expenses incurred of £57,550 that should have been included in the financial statement were not. The adjustment is to include them as required.

iii) The value of the transaction costs offset against share premium in respect odthe fundraise were incorrectly calculated as they included share-based payment charges that had been erroneously calculated. An adjustment has been made to reduce the value to £24,753, being the value of the broker warrants issued. An equivalent adjustment has been made in the share-based payment reserve.

iv) Creditors were overstated by £30,000 in respect of an invoice that had been duplicated. An adjustment has been made to remove this balance.

23 Ultimate controlling party

The directors do not consider there to be an ultimate controlling party.