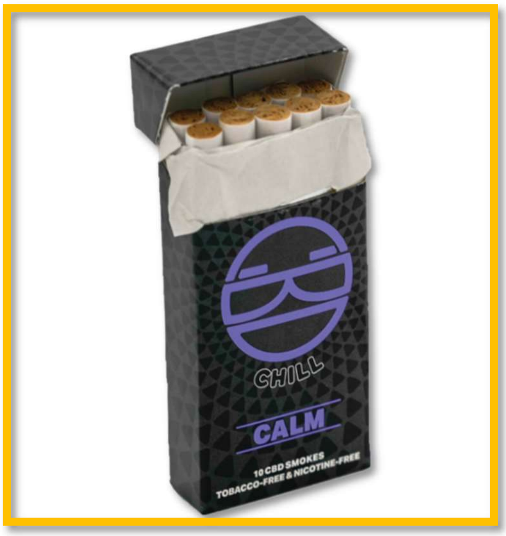
CHILL BRANDS GROUP PLC

("Chill", the "Company", or the "Group")

FORMERLY KNOWN AS

ZOETIC INTERNATIONAL PLC



ANNUAL REPORT AND CONSOLIDATED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

Company Registered Number: 09309241

Contents

Officers and Professional Advisers

Directors	Antonio Russo Trevor Taylor Eric Schrader (appointed 1 August 2021)
Company Secretary	MSP Secretaries Limited
Head Office & Registered Office	East Castle House Registered Office 27/28 Eastcastle Street London W1W 8DH
Principal Operating Address	1601 Riverfront Drive, Suite 201 Grand Junction, CO 81501 USA
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD
Brokers and Financial Advisers	Allenby Capital Limited 5 St Helen's Place
Solicitors	DAC Beachcroft LLP 25 Walbrook London EC4N 8AF CMS Cameron McKenna Nabarro Olswang LLP Cannon Place, 78 Cannon Street London EC4N 6AF United Kingdom
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Principal Bankers	Clydesdale Bank 15th Floor The Leadenhall Building, 122 Leadenhall Street London EC3V 4AB
Company Website	www.zoeticinternational.com
Websites for Product Lines	www.chill.com www.zoetic.com

Chief Executives' Review and Strategic Report

The financial year to 31 March 2021 was one of considerable change for Chill Brands Group PLC (formerly known as Zoetic International PLC). During the period, the Group evolved from its roots in the oil and gas industry to develop a promising international consumer packaged goods (CPG) business which has generated interest in the US and UK.

Having progressed through a managed exit from the natural resources industry, the Group's sole focus is now on the continued expansion of its cannabidiol (CBD) led consumer business. Amidst the unique challenges the global economy and Group have faced over the last 18 months, the Group has made strategic progress in line with its new operating model. The Group's products are now available to consumers across multiple territories and efforts are underway to further expand its presence in the market.

The Company continues this exciting journey of growth as an opportunistic and agile producer of premium products, carving the building blocks of Chill – the brand the Board wholeheartedly believes has the potential to become a global presence.

A New Direction

The Group's exit from the natural resources industry was central to its strategy during the financial year. Much of the Group's legacy estate has now been divested and the Board continues to seek advantageous opportunities for the divestment of the few remaining natural resources assets – namely the DT Ultravert technology along with assets in Kansas and Montana which were fully impaired during the prior financial period ending 31 March 2020. In the meantime, ongoing overheads relating to those sites have been reduced to near negligible values, allowing the Group to focus its efforts and resources on the development of its consumer-packaged goods (CPG) activities.

While the Group's net loss for the 2020-2021 period was comparable with the loss

incurred for the previous year, it has now seen a year-on-year decline in operational costs following the discontinuation of its legacy oil and gas activities after share issue costs of £1.4 million and the termination costs of £1.2 million associated with the LDA Capital agreement (see further discussion in "key developments section").

The issue of shares and share-based payments were major contributors to this loss, and were made both to satisfy pre-existing commitments and to secure intellectual property assets that the Board perceives as critical to the future of the business. Discounting the costs of share issue to the directors, share-based payments, and the LDA Capital termination fee, the operating costs associated with the Group's commercial CBD activities declined during the period while Director incentives grew.

Moving forward, the Group's financial position will be contingent on revenues generated from the sale of its consumer goods. What started in 2019 as an experiment in the use of nitrogen-hydrogen fertiliser has become an ambitious brand with an international reach.

As announced on 22 July 2020, the Group's seed genetics programmes continue with the support of its trusted European cultivation partner. This joint venture facilitates the ongoing development of high-calibre hemp whilst reducing the Group's direct exposure to risks associated with the operation of agricultural facilities.

The establishment of such strategic partnerships is complementary to the Group's operating model, providing the agility needed to seize value accretive opportunities wherever they may arise.

Building a CPG Business

In line with the Group's change in focus, the period was also marked by the growth of its consumer CBD business. The Group's flagship Chill line of tobacco alternative and lifestyle products and the acclaimed Zoetic line of cosmetics have shown themselves to be exciting challenger brands despite having only entered the market in late 2019.

The last year has seen an expansion of the Group's activities across the United States and internationally. With the previously announced beta programme with Schrader Oil and Ox Distributing acting as a springboard, the Group's brands have entered new territories and found viable routes to market that are underpinned by relationships with industry-defining distributors and trade associations.

The continued interest and support shown by major international distributors and retail partners is indicative of latent potential that is vested in the Group's brands. While there can be no guarantee that significant income will materialise as a result of existing or future distribution channels and relationships, it is the opinion of the Board that the Group is on course to grow substantially both in terms of its retail footprint and the revenues that it generates.

The success of a CPG brand hinges on its ability to bring its products to the broadest possible range of consumers and this is the enduring goal of Chill Brands Group. All previously announced distribution agreements remain in place and the Company continues to aggressively pursue a rollout strategy that has seen its products reach the pockets of consumers on an international level.

The Group's brand-building activities can be summarised as follows:

Chill

Early 2021 saw the commencement of the broadest retail rollout of the Group's Chill brand of CBD tobacco alternative and lifestyle products to date. During the following six months the brand has scaled beyond its one-time beta store footprint to reach multiple U.S. states through its entrance into some of the most recognisable retail brand outlets in the nation. The Board is confident that the progress made during the final months of the 2021 period will lead to encouraging financial performance during the year ending 31 March 2022.

Working with partners that are widely regarded as some of the most formidable names in retail and distribution, the Group's products have moved beyond the confines of niche CBD vendors into the much wider realm of convenience stores ("c-stores"). The Group's smokes and pouches occupy a unique and much-coveted position at the point of sale within these high footfall locations. The Company has received a number of valuable Purchase Orders since the end of the 2020-2021 reporting period, with repeat custom that is indicative of Chill's popularity amongst consumers.

Efforts have also been made to extend the profile of the brand through sponsorship and other marketing initiatives. The Group has engaged with one of the most famous rodeo families in the United States and some of the most promising riders now serve as western heritage ambassadors. This program has seen the creation of #TeamChill which currently consists of three professional athletes - two of which rank within the top 15 riders in the world. The resultant traditional media coverage and social media content have dramatically increased engagement with the Chill brand within this subset of American culture where tobacco usage is especially prevalent and alternative products are well received. The Group looks forward to replicating this success through the pursuit of further sponsorship and marketing opportunities.

Notably, the months following the end of the period saw the initial online launch of Chill smokes in the UK via www.thechillwayuk.com. Their arrival on the UK market has been met with interest from consumers and brands that are keen to stock this novel product for themselves. Chill 'mint' smokes have proven to be particularly popular as they fill the widening gap in the market for a flavoured smokable product following the UK's ban on comparable flavoured tobacco products in 2020. The UK arm of the brand is aspirational, with extensive brand growth and social media marketing projects well underway.

As the Group's expansion efforts gather momentum, the Board is engaged closely with previously announced distribution partners in Europe to ensure that the Chill brand's initial entrance to these new markets is both wholly compliant and both financially and socially impactful. The Company continues to explore and evaluate routes to market in multiple European territories with the aim of achieving wider commercialisation of its products.

Zoetic

Operations of the Group's Zoetic line of CBD cosmetics and tinctures continued to gather pace during the year, complemented after the period by the relaunch of its website (www.zoetic.com) in July 2021. Zoetic's brand messaging is now more closely aligned with the luxury lifestyle market in which its products have already proven to be extremely popular, and efforts are underway to further expand its physical and e-commerce presence.

All of the products within the Zoetic range of skincare, massage oils, serums, anti-ageing products (released July 2021), and tinctures have been carefully crafted to elevate the concept of CBD cosmetics. They are positioned not as a novelty, but as effective, high-quality products that have been designed to form part of everyday skincare and lifestyle routines.

In addition to a persistent stream of positive customer feedback, the Zoetic range of products has also attracted significant critical acclaim from a number of awards bodies. The accolades gained during the reporting period alone include:

- Editor's Choice, The Beauty Shortlist Wellbeing Awards - Zoetic 1,000mg CBD Oil
- Best New Wellness Product, Pure Beauty London Awards - Zoetic Calming Natural CBD Oil
- Best Natural Skincare Product, Global Green Beauty Awards - Zoetic Jasmine and Lavender CBD Night Cream
- CBD Hero, Glamour Wellness Power List - Zoetic Calming Natural CBD Oil
- Best New Hand Cream, The Global Makeup Awards - Zoetic Lemongrass and Ylang Ylang CBD Hand Cream
- Best UK Beauty Brand Bronze Award, The Global Makeup Awards - Zoetic
- Best CBD Product, The Global Makeup Awards - Zoetic CBD Facial Drops
- Best Body Product Silver Award, The Global Makeup Awards - Zoetic Regenerate CBD Massage Oil
- Best for Sleep, GQ Grooming Awards - Zoetic Blood Orange CBD Oil
- Editor's Choice, The Beauty Shortlist - Zoetic CBD Oils
- Best Hand Cream, Top Sante Body Care Awards - Zoetic Lemongrass and Ylang Ylang CBD Hand Cream

The ongoing industry recognition that Zoetic attracts serves to illustrate its wider potential, and the Board is closely engaged with international partners and existing advisers with a view to further expanding the market presence and reach of this award-winning brand.

Industry Leadership

The ongoing development of the Group's brands is based on a commitment to proper execution. The CBD market is still in its infancy and there is little consistency between the regulations applied by individual jurisdictions. The Board is acutely aware of the challenging trading environment in which the Group operates and has therefore made legal compliance and scientific merit a key focus both during the period and on an ongoing basis.

This approach is of particular importance for the Group's ingestible and combustible products. It is imperative that they are properly formulated, safe for consumption, and ready for legal sale in target jurisdictions. The Board has closely monitored scores of businesses rise and fall in similar markets such as vaping, often moving quickly to secure high sales volumes over the short-term but ultimately faltering as a result of not paying proper heed to the authorities. The Group is taking a different course marked by careful adherence to the law and respect for the science that drives the development of its products - prioritising long-term success over immediate yet temporary progress into new market areas.

The months after the period end saw major tobacco companies announce their intention to explore the CBD sector, and it is the Board's firm belief that the sector is poised for major growth. It is the Group's aim not only to become a leader in terms of market share and sales, but also to lead the way by meaningfully contributing to the development of global regulatory standards and fostering scientific excellence that leads to the development and manufacture of the highest quality products.

In early 2021 the Group submitted a dossier to the UK Food Standards Agency (FSA) in affiliation with the European Industrial Hemp Association (EIHA) Novel Foods consortium. Confirmation that the application had passed the FSA's administrative check followed in April 2021, and the Group anticipates further developments in the coming months as the authorities conduct toxicology studies. The Group continues to comply with all necessary restrictions and rules, and expects the completion of the Novel Foods application process to permit and facilitate wider innovation in terms of product development and marketing activity.

As noted, the Group continues to support its testing and cultivation partners including cannabinoid research experts GVB Biopharma. The Board is also working in close collaboration with the Group's legal advisers to secure patent protection for the production methods used to create its products. This legal scheme is inclusive of the Group's pioneering work to create combined CBD-nicotine products, and it is hoped that further progress relating to these efforts shall follow in the coming months.

The Group has also taken steps to protect its brand identity and intellectual property rights, with the successful filing of trade marks in the US, the EU, and in the UK. Further filings have been made on an international level, and the Board continues to work with its advisers to develop and execute a robust intellectual property and brand protection strategy.

Other matters

Board Changes and Operational Composition

The Group is steered by its joint Chief Executive Officers, Antonio Russo and Trevor Taylor. This dynamic management team has worked together for many years to cultivate successful businesses as trailblazers of the hemp and CBD industry.

As of 1 August 2021, they are joined on the Group's Board by Eric Schrader of Ox Distributing. Mr Schrader now occupies a non-executive director role while simultaneously continuing his work with Ox Distributing - the Group's Master Distributor. His extensive experience in the retail and CPG sectors has proven invaluable to date and his ability to appraise, develop, and manage distribution channels is expected to be an immense asset to the Group going forward.

As the Group matures into its new identity as a CPG brand, the Board is committed to building a talented and highly experienced team both internally and externally. Efforts are underway to identify and appoint further Board members with strong industry credentials and experience managing listed companies in the US, UK, and internationally.

Changes to Listings of the Group's Shares

The 2020-2021 period saw trading of the Group's shares commence on the U.S OTCQX Best Market under the ticker symbol ZOEIF. As previously reported, shares were initially listed on the OTCQB Venture Market with an opening date of 12 November 2019. This uplisting to the highest level of the OTC markets offers greater exposure to U.S. investors without the need to file a prospectus. Additionally, there are no Sarbanes-Oxley or Security and Exchange Commission reporting requirements or disclosure obligations beyond those already met for the purposes of the London listing.

As announced on 8 January 2021, the Group has also now been included in the MSCI Microcap Index. This development reflects the Group's growth as a CBD company and stands to increase its investment profile in North America.

In August 2021 the Group's name was changed to Chill Brands Group plc. On 17 August 2021, the Company's ticker (TIDM) changed from 'ZOE' to 'CHLL'.

Outlook

The 2020-2021 reporting period brought with it change for the Group, its people, and its products. The Group has established distribution channels and built outwards from its initial CBD pilot scheme. The natural progression of this evolution will see the Group realign its corporate identity with its commercial activities, moving forward as Chill Brands Group PLC.

Following its transition away from the oil and gas industry, the Group now operates as a consumer-packaged goods company focused on CBD, emerging tobacco alternatives, and high-quality lifestyle products. In line with this strategy, the Group acquired ownership of the Chill.com domain name (www.chill.com) in July 2021. This dynamic and memorable site will serve as an anchor for the Group as its operations expand and its purchase is highly complementary to other major brand growth and marketing initiatives.

During the past 18 months, great care has been taken to ensure that the Group's products are desirable and that its distribution model is viable. While a lack of trading history introduces an element of uncertainty with regard to the Group's forward trajectory, the Board is confident that its strategy will lead to operational and financial growth over the coming period and beyond.

The period ahead will be characterised by the ongoing extension of the Group's brands as products enter new markets and regions across the world. The Board receives communications regarding exciting affiliate and partnership opportunities on an almost daily basis, and details of the most promising and potentially lucrative initiatives will be announced in the coming months when appropriate.

At times the Board's approach has been slow and will continue to be cautious and considered. It is through this careful consideration, planning, and evaluation that the Group aims to deliver long-lasting success and increasingly compelling results.

There can be little doubt that the CBD sector itself will also grow during this period, but the Board remains sure of the Group's ability to maintain a position at the forefront of this movement. Zoetic (and henceforth Chill Brands Group PLC) can be distinguished from its competitors by its hemp seed and CBD isolate quality, its firm commitment to and expertise in proper compliance, and its ability to secure a market fit for its products.

The Group has now changed almost beyond recognition from its previous state, but in doing so it has developed and acquired the fundamental assets and vision for global brand-building. We would like to thank our shareholders for their continued support in making this turnaround possible. The current financial period has already seen positive, value-accretive change for the Group with the acquisition of Chill.com, and the Board is confident that the future is bright for the Group.

Risks and Uncertainties Facing the Group

The Group's continued evolution has seen its risk profile change significantly. While some risks arising from legacy operations in the oil and gas industry remain, those relating to its activities in a highly regulated area of the CPG sector are now of greater prominence. Beyond this, the Group also faces an overriding financial risk in common with other companies of its size.

The Board continues to monitor and mitigate a detailed list of risks that face the Group, but those listed below are considered to be of the highest importance given the likelihood of their occurrence or the materiality of their potential impact.

Risks Relating to Legacy Oil and Gas Assets

As the Group reaches agreements for the sale and disposal of its final legacy natural resources assets, it remains subject to various contractual and regulatory provisions that could give rise to a financial obligation should specific events occur in the near to mid-term.

The Group may be subject to the retirement costs of each site, and may continue to face a regulatory burden until such time as the sites have been purchased or their closure has been finalised. Should such costs arise, they could adversely affect the Group's business and financial results.

Risks Associated with Laws and Regulations Relating to CBD

The production, labelling and distribution of the products that the Group distributes are regulated by various federal, state and local agencies. As the Group expands its CBD operations, it must keep up with the evolving compliance environments of the territories in which it operates. This entails the building and maintaining of robust systems which ensure that our products and operations comply with the regulatory regimes of multiple jurisdictions.

Should the Group's operations be found to violate any such laws or other governmental regulation, the Group may be subject to penalties, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of the Group's operations, any of which could adversely affect the Group's business and financial results.

The Group may be required to obtain and maintain certain permits, licenses, and approvals in the jurisdictions where its products are licensed and into which its operations expand. There can be no assurance that the Group will be able to obtain or maintain any necessary licenses, permits or approvals.

Product Viability

If the products the Group sells are not perceived to have the effects intended by the end-user, its business may suffer. Many of the Group's products contain innovative ingredients or combinations of ingredients. There is little long-term data with respect to efficacy, unknown side effects and/or interaction with individual human biochemistry. Whilst the Group conducts extensive testing of its product stocks, there remains a risk that its products may not have the desired effect.

Success of Quality Control Systems

The quality and safety of the Group's products are critical to the success of its business and operations. As such, it is imperative that the Group's (and its service providers) quality control systems operate effectively and successfully. Although the Group strives to ensure that all of its service providers have implemented and adhere to high calibre quality control systems, any significant failure or deterioration of such quality control systems could have a materially adverse effect on the Group's business and operating results.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure.

If any of the Group's products are recalled for any reason, the Group could incur adverse publicity, decreased demand for the Group's products and significant reputational and brand damage. Although the Group has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls.

Product Liability

The Group's products are produced for sale directly to end consumers, and therefore there is an inherent risk of exposure to product liability claims, regulatory action and litigation if the products are alleged to have caused loss or injury. Accordingly, the Group maintains product liability insurance policies to safeguard against the implications of any claims that may arise.

Industry Competition

The CBD industry is competitive and evolving. The Group faces strong competition from both existing and emerging companies that offer similar products. Some of its current and potential competitors may have longer operating histories, greater financial, marketing and other resources and larger customer bases than the Group has. Given the rapid changes affecting the global, national, and regional economies generally and the CBD industry, in particular, the Group may not be able to create and maintain a competitive advantage in the marketplace.

General Risks Relating to the Group's Financial Position

While revenues from the Group's consumer-facing activities continue to grow, the risk remains that sales will be insufficient to maintain the Group's current level of expenditure on an ongoing basis. Despite this, the Board has engaged in a sustained cost-cutting exercise with regard to the Group's legacy assets while continuing to build a lean business model for the future. The Board has considered a variety of scenarios including a worst-case scenario of no sales and a linked reduced cost base, and is prepared to execute further cost-cutting contingency plans to mitigate against such risks should they arise.

Risks Arising from the COVID-19 Pandemic

The COVID-19 pandemic has brought with it numerous significant challenges, both financial and otherwise. As businesses of all sizes and sectors progress through what has become an exceptionally difficult trading period, there is little that can be done to accurately predict the state of the trading environment in the short-to-mid-term and current conditions could adversely affect the Group's financial results and ability to operate in its current capacity.

Supply and Logistics Challenges

Various geopolitical events pose a risk to the Group's supply chain and logistics activities in its core areas of operation across North America and the UK. Industry-wide issues relating to driver shortages, warehousing, international logistics, and transport may affect the availability and timely movement of the Group's products. The Board has engaged with all suppliers and partners to secure the continuity of its operations, and continues to develop controls and procedures to limit the impact of any such risks.

IT Security and Brand Protection Risks

As the Group's activities and profile expand, its digital assets and intellectual property rights may be challenged both legally by competitors and illegally by bad actors. With these risks in mind, the Group has engaged with numerous initiatives, protections, and countermeasures to ensure that its interests and those of its shareholders and customers are insulated against these risks. Our intellectual property rights are well protected through a series of international trade marks and patent applications, while our core systems and flagship Chill.com web domain are guarded by IT security professionals and robust protective frameworks.

STATEMENT OF THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH s172(1) COMPANIES ACT 2006

The Board of Chill Brands Group PLC considers that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in decisions taken during the year ended 31 March 2021. Please refer to the Corporate Governance Statement on pages 17 to 19 of the Annual Report which reflects the Board's intention to strengthen the Company's approach to corporate governance and controls in line with its growth.

Key performance indicators

The Group's current focus is on the continued development of its core business and the Board has yet to set key performance indicators as applicable to overall operations. The Board will seek to identify and measure such indicators as the Group's activities become more settled. In the future it is likely that these indicators might include revenues from retail activities. Once established, the Group's financial, operational, health and safety and environmental key performance indicators will be measured and reported as appropriate.

Gender analysis

The Group is committed to establishing a diverse Board of Directors, but is equally conscious of the importance of appointing the people best suited to those roles. A split of our employees and Directors by gender at the year end is shown below:

	Male	Female
Directors	2	None
Employees	2	None

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting the rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards. We strive to create a safe and healthy working environment for the wellbeing of our staff and to create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Group.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Group and their own potential.

Chill's core branding and strategy have been developed with a view to creating a global community, and we are committed to acting respectfully and responsibly throughout all our operations.

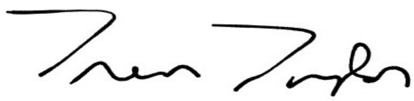
Corporate environmental responsibility

As a natural resources company that has evolved into a producer of sustainable CBD products, we are mindful of our past and hopeful for the future. The Group's policy is

to minimize any adverse effect on the environment associated with its activities with a thoughtful consideration of such key areas as energy use, pollution, transport, renewable resources, health and wellbeing.

The Group also aims to ensure that its suppliers and advisers meet with their legislative and regulatory requirements and that codes of best practice are met and exceeded.

Antonio Russo **Trevor Taylor**



Joint Chief Executives **28 September 2021**

Financial Review

During the period the Group engaged in a significant operational cost-cutting exercise as part of its transition away from legacy oil and gas activities. Revenues from its CBD consumer business have continued to grow.

Although the Group incurred a loss, there were certain specific costs that accounted for a significant portion thereof. Share-based payments issued in relation to pre-existing agreements and to the procurement of intellectual property rights, in addition to the fee accrued for the termination of a financing agreement with LDA Capital, contributed significantly to the reported loss.

Key developments

The Group's focus during the period was on the expansion of its consumer-facing business, with a marked increase in sales of its CBD products. These efforts were supported by the establishment of key distribution partnerships in the U.S., with the Group's products reaching the shelves and counters of c-stores across multiple states.

On 3 April 2020 the Group issued a further 12,900,000 ordinary shares 1 pence each at a price of 8.5 pence per share to the Joint Chief Executive Officers, Antonio Russo and Trevor Taylor. In October 2020 they each agreed to purchase a further 500,000 Ordinary Shares of 1 pence each from an existing shareholder at a price of US$0.51 per Ordinary Share.

In September 2020 the Group reached an agreement with True Oil LLC for the disposal of its East Denver oil and gas assets. The sale was agreed at US$376,000, with the Group's outstanding loan with ANB Bank in the sum of US$276,574 being settled from the sale proceeds.

The period also saw the closure of the Group's former operating office in Denver Colorado, along with its hemp cultivation and CBD production centre. These closures formed part of much wider cost reduction efforts and stand to secure significant savings as the Group moves forward.

In March 2021 the Group entered into a put option agreement facility with LDA Capital. This agreement was intended to secure long-term financing to support the Group's continued expansion, however it was subsequently deemed unsuitable for the Group's needs. The agreement was terminated in May 2021, giving rise to a cancellation liability of £1,200,000. The Group settled this liability with funds raised from an oversubscribed subscription as referenced later in this review.

While the Group ultimately recorded a loss after taxation of £4,850,301, this figure represents an improvement of its finances as compared to previous reporting periods net of share-based payments and the LDA Capital termination charge. Non-cash costs such as share-based payments make up a considerable portion of the loss and the operating costs of the Group's CBD business are lower than those recorded for its oil and gas activities in previous years. The Group continues to limit its ongoing liabilities as it divests of its remaining legacy assets. The Board is confident that the Group's financial outlook will improve with further sales of its consumer products.

Funding and Going Concern

During the year the Group was financially sustained by previously announced funding arrangements implemented prior to the reporting period.

During 2020 the Group also secured 'COVID-19' loans in the US of US$282,600. During the fiscal year a significant portion of these loans were forgiven, with US$41,067 remaining outstanding as of 31 March 2021. The remaining sum is repayable over two years with an interest rate of 1% per annum.

In May 2021 the Group raised £6,000,000 (before expenses) through an oversubscribed subscription for 10,000,000 new ordinary shares of 1 pence each at a price of 60 pence per share. The funds were used in part to discharge the Group's £1,200,000 liability in respect of the cancellation of a financing agreement with LDA Capital. The remaining funds shall be applied to support the Group's ongoing growth and retail distribution programmes. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.3 to the Financial Statements and in the Directors' Report. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements

The Directors have also considered the recoverability of the loans to the subsidiaries of Chill Brands Group PLC and expect these to be recoverable as sale commitments and purchase orders continue to grow in quantity and pace as the Group continues to build a global brand.

Based on the considerations above, the Directors consider the Group to be a going concern.

Revenue

The Group's revenue from the sale of consumer products has increased by over 246% as compared to the previous reporting period, despite the first widescale rollout of its Chill CBD products having only commenced in early 2021.

The Group does not generate revenue from its remaining natural resources assets, although the Board continues to seek advantageous disposal and divestment opportunities for these assets. It cannot yet be said if a price reflective of fair market value can be achieved for these assets.

Going forward, the Group's revenues will centre around consumer sales and retail activities, which are expected to increase over time based on the distribution agreements signed and purchase orders received to date.

Expenditure

The Group has continued to reduce its ongoing operational costs throughout the period in line with the divestment of its legacy oil and gas assets. The Group's main operating costs now relate to the expansion of its international brand footprint and the distribution of its consumer products. Additional costs relate to external professional fees both in the US and in London where the Company bears the costs associated with its listing on the London Stock Exchange.

Liquidity, cash and cash equivalents

At the year end the Group held approximately £333,176 at the bank.

At 31 August 2021, the Group held approximately £2,141,668 at the bank. These funds were raised largely through the oversubscribed subscription of shares in May 2021.

Prior year adjustment

The 2020 statement of comprehensive income, statement of financial position, statement of changes in equity and statement of cashflows have been restated in respect of share compensation that was issued to the Directors on 3 April 2020.

The linked expense of £1,096,500 in respect of this compensation should have been recognised in the financial statements for the year ended 31 March 2020 as it was probable at that time that the shares would be issued to the Directors.
The share compensation was issued to the Directors in the current financial year and as such the linked Directors remuneration is included with Directors remuneration for the current period.

Key Personnel

Trevor Taylor

Joint Chief Executive– Chill Brands Group PLC

Prior to joining the Group, Trevor Taylor co-founded a cannabis company that became the number 1 organic pre-roll selling brand in Colorado, the first state to legalise recreational cannabis in the United States.

Previously, Trevor was a partner and analyst at The Redstone Group, a multi-strategy merger and acquisition brokerage firm, and was the co-founder and COO of Old West Oilfield Services. Trevor helped take the company from its initial concept through the final exit in just over five years to Cerberus Capital Management, a global investment firm. He has an extensive body of corporate management and business development experience.

Trevor graduated from Colorado State University with honours and a degree in Civil Engineering. Trevor spends his spare time operating a commercial stone-fruit farm in Palisade, Colorado.

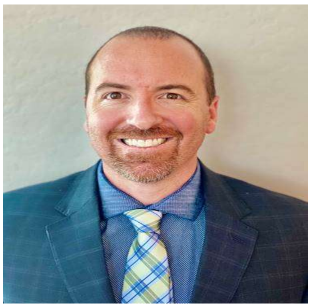
Antonio Russo

Joint Chief Executive – Chill Brands Group PLC

Antonio Russo is a cannabis and hemp industry expert, having operated in the space for over a decade. Before joining Chill he co-founded two cannabis companies, encompassing five fully licensed retail stores and three cultivation facilities nearing 100,000 total square feet. He previously served as Chief Compliance Officer of Colorado's #1 selling organic pre-roll brand.

Antonio is a former board member of MIG (Marijuana Industry Group), formed to help craft Colorado's earliest medical cannabis regulatory framework. MIG is the largest and oldest trade association for licensed cannabis businesses. Antonio was instrumental in the progression of Colorado Amendment 64, marked as a worldwide electoral first. This experience is of immense value to the Group as it navigates changing international CBD regulations.

He is passionate about developing sustainable and memorable brands – acting purposefully to deliver products in underserved and untapped areas of the market.



Eric Schrader

Non-Executive Director – Chill Brands Group PLC

Eric Schrader has worked in retail, distribution, and sales channels in the United States for over 15 years. Eric was a 4th generation co-owner in a family business that operated the largest convenience store chain in Northern Colorado for 84 years. He has a dynamic understanding of retail operations. Working with some of the largest brands in the world such as: Shell Oil & Gas, Pepsi Co., Coca-Cola, Red Bull, Monster, Altria, BAT/R.J Reynolds Tobacco, JUUL and more. Through his work, Eric oversaw $120,000,000 million in annual sales.

Eric has also spent time traveling the United States selling food, working side by side with some of America's largest retail distributors to the likes of McLane Company., Core-Mark, Shamrock and others. He has a unique perspective with consumer-packaged goods (CPG), having spent years as a buyer and sales representative on both sides of "B2B" business agreements. Eric's versatile experience will be instrumental in the Company's growth, helping lead the way towards successful brand expansion.

Directors' Report

The Directors present their report and the financial statements for the year ended 31 March 2021.

Principal Activity

The Group is concerned with the development, production, and distribution of CBD and lifestyle products. The Group's previous focus centred on the exploitation of oil and gas producing assets, associated technology, and mineral rights allied to the oil and gas sector. Following a managed exit from the natural resources sector, the Group's primary activities involve the research, development, production and sale of CBD consumer products and other lifestyle goods.

A detailed review of the activities for the period is given in the Executive Chairman's Review.

Results

The Company recorded a loss for the period after taxation from continuing and discontinued activities of £2,341,119 (2020: loss £16,878,991) and further details are given in the preceding Financial Review. No dividend has been paid during the period nor do the Directors recommend the payment of a final dividend (2020: nil).

Directors

The Directors who served at any time during the period were:

A Russo	Co-Chief Executive Officer *(appointed 30 April 2020)*
T Taylor	Co-Chief Executive Officer *(appointed 30 April 2020)*
N Tulloch	*Chief Executive Officer* *(resigned 29 April 2020)*
Melvyn Davies	*Chief Financial Officer* *(retired 29 April 2020)*
*Paul Mendell**	*Chairman* *(resigned 30 April 2020)*

*Paul Mendell waived his pay upon resigning on 30 April 2020.

Details of the Directors' interests in the shares and warrants of the Company are set out in the Directors' Remuneration Report on pages 20 to 26.

Further details of the interests of the Directors in the warrants are set out in Note 21 to the financial statements.

Substantial Interests

At 2 September 2021 the Company had been informed of the following substantial interests of over 3 per cent of the issued share capital of the Company:

	Number of issued shares	Percentage of Capital
Schrader family and associates	23,750,000	11.20%
Spreadex Limited	20,961,773	9.88%
John Story	17,912,221	8.45%
Intertrader Limited	8,370,403	3.95%
A Russo	6,950,000	3.28%
T Taylor	6,950,000	3.28%

Share Capital

Chill Brands Group PLC is incorporated as a public limited company and is registered in England and Wales with the registered number 09309241. Details of the Company's issued share capital, together with the details of the movements during the period, are shown in Note 19. The Company has one class of ordinary shares and all shares have equal voting rights and rank *pari passu* for the distribution of dividends and repayment of capital.

Corporate Governance Statement

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors' remuneration on pages 20 to 26, explains how the Company has observed principles set out in The UK Corporate Governance Code ("the Code") as relevant to the Company and contains the information required by section 7 of the UK Listing Authority's Disclosure Rules and Transparency Rules.

The Company has decided not to apply the Code provisions in full given its current size. The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to support its acquisition and future plans. As such the Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate governance practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate to the size and maturity of the organisation. The Board will continue to review the status of the Company and its suitability to adopt further provisions of the Code and will seek to implement further standards when it is appropriate to do so.

Board of Directors

The Board currently consists of two executive Directors – Mr Antonio Russo and Mr Trevor Taylor. The Board meets regularly throughout the year to discuss key issues and to monitor the overall performance of the Company. The Board has a formal schedule of matters reserved for its decision. With a Board consisting of two executive Directors, all matters and committees, such as Remuneration, Audit and Nominations are considered by the Board as a whole. More information about the Board can be found on the Group's corporate website www.zoeticinternational.com. Mr Eric Schrader was appointed to the Board as a Non-Executive Director after the reporting period, with an effective date of 1 August 2021.

The Directors are actively seeking to expand Board membership candidates with extensive experience of managing listed companies in the UK to further support its growth whilst providing oversight and accountability in respect of all commercial activities. The Board is committed to adopting a formal Code of Corporate Governance when it is appropriate to do so.

Audit Committee

The Board seeks to present a balanced and understandable assessment of the Group's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute.

As stated above, there is no separate Audit Committee, the Directors consider the size of the Group and the close involvement of executive Directors in the day-to-day operations makes the maintenance of an Audit Committee function unnecessary for the time being. The Board continues to assess the situation and is prepared to take steps to establish an Audit Committee should guidance from its professional advisers suggest that it is appropriate to do so.

External independent auditor

The Board will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor. The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded.

As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor.

Remuneration committee

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts.

Nominations committee

A nominations committee has not yet been established as of yet, due to the size of the company.

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board; and
- evaluation, approval procedures and risk assessment for acquisitions and capital expenditures.

Shareholder Communications

The Group uses its corporate website (www.zoeticinternational.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties. An alternative website may be used for this purpose in the future, in line with the Group's new corporate identity. Further information shall be released to shareholders and the wider markets ahead of any changes taking effect. We have also taken time in the past months to examine other means of keeping our shareholders up to date with our progress and, to that end, Chill has now set up a dedicated page on LinkedIn. This is not intended to be a substitute for RNS announcements but we hope that shareholders will follow that page as an additional means of staying up to date with our progress.

With Zoetic and Chill products now available to retail, social media marketing campaigns are also used to generate and support our sales activities. By definition, this is designed to be product-focused (as opposed to investor-focused). Inevitably there will be considerable overlap with our formal communications and other publications but this may be another avenue of interest to shareholders.

The Company's Annual General Meeting is used to communicate with both institutional shareholders and private investors, and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that each can be given proper consideration. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

Directors' Remuneration Report

Remuneration policy

The Directors' Remuneration Report for the period ended 31 March 2021 and the Directors' Remuneration Policy were approved by the shareholders at the Annual General Meeting held on 28 October 2020.

The Remuneration Policy set out below is revised to refer to the new Chill Brands Group plc Long Term Incentive Plan ("LTIP") which shareholders are being asked to approve at the Annual General Meeting on 30 September 2021. Accordingly, shareholders are also being asked to approve the updated Remuneration Policy. No other changes are being proposed to the Remuneration Policy that was approved in 2020. The updated Remuneration Policy will, if approved by shareholders, take effect from the end of the AGM.

The remuneration policy is designed to attract, retain and motivate executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Group and for long-term enhancement of shareholder value. Remuneration packages take into account individual performance and the remuneration for similar jobs in other comparable companies where such companies can be identified. This would also be taken into account on appointment of any new Directors.

The Board believes that share ownership by executive Directors and senior staff strengthens the link between their personal interests and those of shareholders and, although awards have in the past been made under a share option scheme to employees, shareholders are being asked at the 2021 Annual General Meeting to approve the LTIP under which share options and conditional share awards (restricted share units) can be granted to Directors and employees, to align the interests of group employees to those of the Company's shareholders.

The last general increase in remuneration level for the directors was in January 2017 when the level of Directors' pay was reviewed and increased to take into account the expanded activities of the Group. The level has been reviewed annually but not increased since then. No pay rise was implemented for the directors during the current year.

The current Executive Directors' remuneration comprises a basic fee which is reviewed annually and which may be taken as salary or pension contribution, plus suitable health insurance provision. Their level of remuneration was set when they joined the Group as key management and they did not take an increase in remuneration package when joining the Board. The Group's Directors also received share-based compensation during the period. On 3 April 2020 the Group issued 12,900,000 ordinary shares of 1 pence each at a price per share of 8.5 pence to each of the Joint Chief Executive Officers, Antonio Russo and Trevor Taylor. In October 2020, Mr Taylor and Mr Russo were granted options of a further 5,775,000 shares vested over three years from the date of grant in October 2019 and subject to continued employment and performance conditions. At 31 March 2021, the Group recorded £1,410,268 in share-based compensation for the granted options.

Future policy table

Service Contract Terms	Base Salary	Pension Contribution	Benefits in kind	Bonus or incentive plan
A Russo	US$100,000	Nil	See below	Ad hoc basis see below
T Taylor	US$100,000	Nil	See below	Ad hoc basis see below

The service contracts are reviewed annually. The Co-Chief Executive Officers Antonio Russo and Trevor Taylor are also participants in an Enterprise Management Incentive (EMI) scheme that was put in place by the previous Chief Executive Officer during 2019.

Benefits in kind

In the US, the Group pays healthcare premiums for its staff at the prevailing rates.

Bonus or incentive plan

Executive Directors are eligible to participate in the LTIP being established by the Company to create alignment with shareholders, under which share options and conditional share awards (restricted share units) may be granted on a discretionary basis. There is no maximum opportunity under the LTIP. Awards will normally vest over a number of years, subject to time-based and/or performance conditions. Under the LTIP the Board has discretion to adjust the vesting of awards to avoid formulaic outcomes. Vested and unvested awards are subject to malus and clawback provisions.

Service contracts

Mr Russo and Mr Taylor were employed on an initial fixed term of one year from 1 April 2019 and their contracts automatically renew annually for a further one year period unless either party gives at least 60 days' notice of termination prior to a renewal date, save in the case of a material breach of contract when the Executive can be dismissed without notice. Mr Russo and Mr Taylor are paid at an annual rate of US$100,000 per annum plus healthcare benefits and the ability to participate in any bonus awards.

In the event of a termination or loss of office the Director is entitled only to payment of his basic salary (plus contractual benefits if applicable) in respect of his notice period. In the event of a termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Executive Directors are allowed to accept external appointments with the consent of the Board, provided that these do not lead to conflicts of interest. Executive Directors are allowed to retain the fees paid.

The contracts are available for inspection at the Company's registered office.

Approval by members

The Group's remuneration policy will be put before the members for approval at this Year's Annual General Meeting.

Implementation report

Particulars of Directors' Remuneration (*audited)*

Particulars of directors' remuneration, including directors' warrants which, under the Companies Act 2006 are required to be audited, are given in Notes 6 and 20 and further referenced in the Directors' report.

Remuneration paid to the Directors during the year ended 31 March 2021 was:

Executive Director	Base salary	Benefits in kind	Shares issued in the year	Compensation for loss of office	Total
	£	£	£	£	£
A Russo	76,336	17,499	548,250	0	642,085
T Taylor	76,337	17,499	548,250	0	642,086
N G S Tulloch*	0	2,000	0	92,715	94,715

*Mr Tulloch left office on 29 April 2020, receiving compensation for loss of office in the above sum.

The benefit in kind represents healthcare and pension premiums that the Group pays for its directors at the prevailing rates. The shares received by the Group's directors during the period are also reflected in this figure. The Company recognised the expense for these shares in the previous financial period ending 31 March 2020, while they were recognised as Directors' remuneration in the current period to reflect the date at which ownership of the shares was taken.

Remuneration paid to the Directors during the year ended 31 March 2020 was:

Executive Director	Base salary	Benefits in kind	Compensation for loss of office	Total
	£	£	£	£
R B Price *	105,651	31,700	235,319	372,670
J M Davies**	8,333	-	-	8,333
N G S Tulloch	137,500	19,558	-	157,058

*Mr Price was based in the Group's Denver office and his remuneration was set in US Dollars. The above table converts that data into Sterling at the average exchange rate ruling during the year.

**Mr Davies acted at the Group's Chief Financial Officer and resigned from his position as a Director on 29 April 2020.

Payments to past Directors (*audited)*

A payment of £2,000 was made to Mr N G S Tulloch during the period in respect of pension contributions. There were no other payments to past directors during the period.

Payments for loss of office (*audited)*

A compensation payment of £92,715 was made to Mr N G S Tulloch for loss of office during the period. There were no other payments for loss of office during the period.

Bonus and Incentive plans *(audited)*

There were no formal bonus or incentive plans in operation during the period and no bonuses were paid to directors during the year.

Percentage change in the remuneration of the Chief Executive

The following table shows the percentage change in the remuneration of the Chief Executive in 2021 and 2020 compared to that of all employees, except directors, within the group.

		2021 £	2020 £	Change %
Base salary	Chief Executive**	152,673	193,151	(21.0)
	All employees*	137,674	919,358	(85.0)
Bonuses	Chief Executive**	-	-	(0)
	All employees*	-	-	(0)
Benefits in kind	Chief Executive**	36,998	39,718	(6.8)
	All employees*	5,556	83,521	(93.3)
Shares issued in the year	Chief Executive**	1,096,500	-	100.0
	All employees*	-	-	-
Total remuneration	Chief Executive**	1,284,171	232,869	451.5
	All employees*	143,230	1,002,879	(86.0)

* The figures for “all employees” excludes directors.
** There were two individuals who fulfilled the role of Chief executive consecutively during the comparative year. The figures for “Chief Executive” above are the combined total payments to the two individuals in relation to the period that they each undertook the role.

Relative importance of expenditure on remuneration

	2021 **£**	**2020** **£**	**Year on year change: %**
Total Directors remuneration (including share based payments)	1,378,886	563,665	144.6
Distributions to shareholders	-	-	n/a

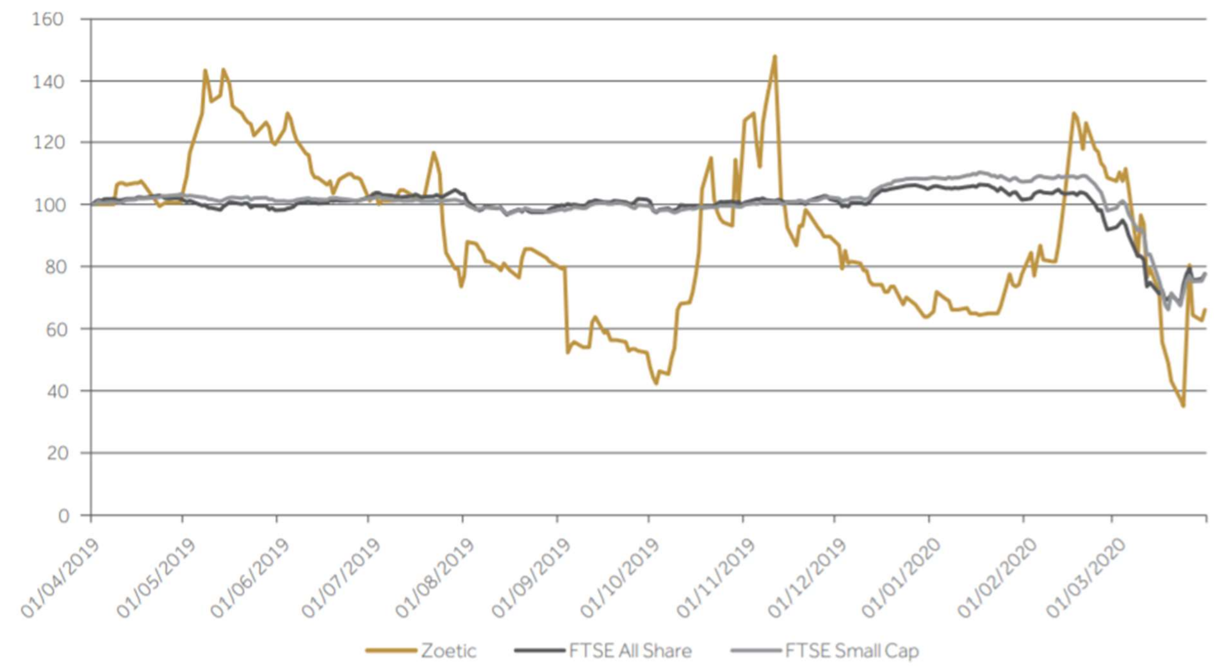
Included in total remuneration is salary, bonuses, issued shares, compensation for loss of office and benefits.

Total Shareholder Return

The following graph illustrates the percentage movement in the Company's share price over the year compared to the percentage movements over the same period of the S&P/ASX 200 and FTSE-Small Cap indices.

Total Shareholder Return

The following graph illustrates the percentage movement in the Company's share price over the year compared to the percentage movements over the same period of the FTSE-All Share and FTSE-Small Cap indices.



Historic remuneration of the Chief Executive

Year	Salary	Bonus	Benefits in kind	Shares issued in the year	Total
	£	£	£	£	£
2017	150,222	-	29,957	-	180,179
2018	226,027	69,315	44,414	-	339,756
2019	221,779	147,853	47,914	-	417,546
2020**	193,151	-	39,718	-	232,869
2021***	152,673	-	36,998	1,096,500	1,286,171

** There were two individuals who fulfilled the role of Chief Executive consecutively during the year ended 31 March 2020. The figures for "Chief Executive" above are the combined total payments to the two individuals in relation to the period that they each undertook the role.

*** There role of Chief Executive was fulfilled by two individuals concurrently during the year ended 31 March 2021. The figures for "Chief Executive" are the combined total payments for the two individuals during the period.

Directors' interest in shares *(audited)*

The Company has no Director shareholding requirement.

In April 2020, 12,900,000 shares were issued to both Trevor Taylor and Antonio Russo at 8.5p per share. As it was probable as of March 2020 that the shares would be issued to the Directors, the share compensation expense of £1,096,500 has been recognised in the financial statements for the year ended 31 March 2020.

In October 2020, Mr Taylor and Mr Russo were granted options of 5,775,000 shares which are vested over three years from the date of grant in October 2019 subject to continued employment and performance obligations. At 31 March 2021, the Group recorded £1,410,268 in share-based compensation for the granted options.

The beneficial interest of the Directors in the ordinary share capital of the Company at both 2 September 2021 and 23 September 2020 was:

	Number of shares		Percentage of issued share capital		Percentage Change
Director	23 September 2020	2 September 2021	23 September 2020	2 September 2021	
A Russo	6,450,000	6,950,000	3.32%	3.28%	(0.4%)
T Taylor	6,450,000	6,950,000	3.32%	3.28%	(0.4%)

Mr Russo and Mr Taylor were appointed to the Board on 30 April 2020.

The Directors held the following options and warrants at the beginning and end of the period:

Director	At 31 March 2020	Granted in the Period	Exercised in the Period	Lapsed in the Period	At 31 March 2021
A Russo	0	2,887,500	-	-	2,887,500
T Taylor	0	2,887,500	-	-	2,887,500
N G S Tulloch	2,000,000	-	0	2,000,000	-
Total	2,000,000	5,775,000	0	2,000,000	5,775,000

Remuneration committee

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts.

Shareholder voting at the Annual General Meeting

The Directors' Remuneration Report for the period ended 31 March 2020 and the Directors' Remuneration Policy were approved by the shareholders at the Annual General Meeting held on 28 October 2020. The votes cast were as follows:

	Number of votes	% of votes cast
Directors' Remuneration Report		
For	53,422,244	99.94%
Against	31,590	0.06%
Total votes cast	53,453,834	100%
Number of votes withheld	none	

Directors' Remuneration Policy		
For	53,422,244	99.94%
Against	31,590	0.06%
Total votes cast	53,453,834	100%
Number of votes withheld	none	

This is the Company's sixth period of operation. From the outset, the Board has set out and implemented a policy designed in its view to attract, retain and motivate executive Directors of the right calibre and ability. There have been no major changes during the period either in the policy on directors' remuneration or its implementation, including terms of service for the Directors. This Directors' Remuneration Report was approved by the Board and signed on its behalf by:

Trevor Taylor, Director

28 September 2021

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and those International Financial Reporting Standards ("IFRS") adopted by the European Union. Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position of the Company and the financial performance and cash flows of the Company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

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 Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Conduct Authority.

So far as the Directors are aware, there is no relevant audit information, as defined by Section 418 of the Companies Act 2006, of which the Group's auditors are unaware and each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

The Consolidated Financial Statements are published on the Group's website http://www.zoeticinternational.com. The Directors are responsible for the maintenance and integrity of the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

We confirm that to the best of our knowledge:

- the Company financial statements, prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company;

- this Annual Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and

- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

Greenhouse Gas Disclosures

The Group continued to transition away from its traditional basis of operation within the oil and gas industry during the period. The ongoing divestment of its natural resources assets is likely to have materially reduced the amount of greenhouse gas emissions for which the Group was responsible.

In the reporting period ending 31 March 2019 the Board estimated that the Group was responsible for emissions equivalent to in aggregate 5,756 metric tonnes of carbon dioxide resulting from its drilling and other activities conducted in respect of the production of oil and gas at sites in East Denver, Kansas and elsewhere. This estimate was made on the basis of figures provided by external consultants operating in line with guidance issued by the United States Environment Protection Agency ("EPA").

Given that all such oil and gas assets have since been divested or have ceased active operation, the Board predicts a sustained, material, fall in the quantum of greenhouse gas emissions for which the Group is responsible. The Group has no active oil or gas operations, has not made plans for future drilling or exploitation of natural resources assets, and does not expect to engage in any future activity generative of greenhouse gasses in notable quantities.

While the Group is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact, as a result of the Group's ongoing divestment of its natural resources assets throughout the reporting period, it has not been possible for the Board to provide an estimation of the quantity of carbon dioxide equivalent emissions generated by Group operations. As assets and sites have fallen outside of the Group's ownership, it has not been practicable to engage with external experts to quantify carbon output. It is however estimated that the Group's carbon output was lower during the reporting period than in previous years of oil and gas production operations.

Disclosure and Transparency Rules

Details of the Company's share capital and share options and warrants are given in Notes 20 and 22 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 17.

The provisions covering the appointment and replacement of directors are contained in the company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Requirements of the Listing Rules

The following table provides references to where the relevant information required by listing rule 9.8.4R is disclosed:

Listing Rule requirement	
Details of long-term incentive schemes as required by Listing Rule 9.4.3R	None – see Directors' Remuneration Report pages 20 to 26
Details of any arrangement under which a Director of the Company has waived emoluments from the Company	Directors' Remuneration Report pages 20 to 26
Details of any allotment for cash of equity securities made during the period otherwise than to the holders of such equity shares other than in proportion to their holdings of such equity shares and which has not been specifically authorised by the Company's shareholders	Note 19 on page 66
Details of any contract of significance subsisting during the period to which the Company is a party and to which a Director of the Company is or was materially interested	Note 27 on page 74
Details of remaining service contract period for director standing for re-election this year	See service contracts details on page 21

Financial Instruments

The Company has exposure to credit risk, liquidity risk and market risk. Note 26 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

Events after the reporting period

The end of the reporting period saw the continuation of the Group's US rollout, with Chill CBD products entering new stores, states, and areas as part of existing distribution agreements. In the months since the Group has been named a finalist for the National Association of Convenience Stores in the Retailers' Choice – Best New Product Category.

In April the Group announced that the Novel Foods application dossier it had filed in conjunction with its membership of the European Industrial Hemp Association had passed the UK Food Standards Agency's (FSA) administrative check. This decision means that any of the Group's products that are affected by Novel Foods regulations can remain on sale in the UK. Results of the FSA's CBD toxicological studies are pending and further news is expected in the short to mid-term.

On 4 May 2021 the Group announced that it had raised £6,000,000 through an oversubscribed subscription for 10,000,000 shares of one pence each at a price of 60 pence per ordinary share. A portion of the funds raised has been applied to discharge the Group's obligations in connection with the cancellation of a financing agreement with LDA Capital (as referenced in the Financial Review released with this report, while remaining funds shall be used to support the Group's ongoing brand-building and rollout efforts. On 1 June 2021, the Group announced that it had issued 1,200,000 warrants to subscribe for new ordinary shares of 1 pence each at 60 pence per ordinary share. The warrants were issued by the Group to a consultant to the Group in consideration for services rendered and the warrants were not listed on any exchange.

On 5 May 2021 the Group entered into a five year lease agreement for a domestic headquarters in Colorado. The agreement provides for the Group to renew its lease for a further period of five years. This new U.S. domestic office address will serve as the centre from which the Group's executive operates.

The Group formally launched its CBD smokes to the UK market from www.thechillwayuk.com on 30 June 2021 in line with previous projections. This newly developed website was designed to support brand-building efforts, and is matched by a revamped www.zoetic.com website tailored to the luxury lifestyle market.

On 22 June 2021 the Group entered into an agreement to acquire the domain name "Chill.com" and all intellectual property rights that it has accrued in connection with the domain name. The domain is intended to serve as a worldwide marketing anchor for the Group's range of consumer products. As announced in July, the Group has also commenced a wider rebranding initiative. Zoetic International PLC has transitioned to become Chill Brands Group PLC, while the Group is now listed on the London Stock Exchange under the ticker 'CHLL'.

Mr Eric Schrader was appointed to the Group's Board as a non-executive director with an effective date of 1 August 2021. Mr Schrader will continue to provide the Group with support and assistance through this appointment and in his capacity as a member of the Ox Distributing team.

Directors' Indemnity Provisions

The Group has implemented Directors and Officers Liability Indemnity insurance.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. In considering the financial performance and position of the Company, the Directors have reviewed the post year end fundraising of £6 million, the settlement of outstanding fees, and the outlook for future financial years given the distribution agreements signed, post year end performance and the general market. The Directors have taken these factors into consideration and applied them to a variety of scenarios including a worst-case scenario of no sales and a linked reduced cost base. Further details are given in Note 2.3 to the Financial Statements. Based on this, the Directors continue to adopt the going concern basis in preparing the financial statements.

Donations

The Company made no political donations during the period.

These statements of the Directors' Responsibilities were approved by the Board and signed on its behalf by: **Trevor Taylor** **Antonio Russo**

Antonio Russo

Directors **28 September 2021**

Independent Auditor's Report to the Members of Chill Brands Group PLC

Opinion

We have audited the financial statements of Chill Brands Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statement of Cash Flows 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 international accounting standards in conformity with the Companies Act 2006 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 March 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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; and as regards to the group financial statements, international financing reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 public interest 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.

Conclusions relating to going concern

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;

- Obtaining cash flow forecasts, management accounts, and budgets from management for a period of at least 12 months from the date of signing the financial statements to give an indication of the expected financial returns in future months;
- Reviewing documents for reasonableness by comparing previous forecasts to actual results;

- Considering the current available financial headroom and confirm existence, legality and enforceability of any financial support arrangements;
- Reviewing correspondence with bankers, legal advisors, and meeting minutes for any references to financial difficulties;
- Continued to review RNS releases and discussed subsequent events and future plans with management; and
- Ensuring sufficient disclosure of management's assessment of the impact of COVID-19 and the measures being taken to mitigate the risks its poses.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

We apply the concept of materiality both in planning and performing the audit, and evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatements, 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 a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriate level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. When establishing our overall audit strategy, we determined a magnitude of uncorrected misstatements that we judged would be material for the financial statements as a whole. We determined materiality for the group to be £145,000 (2020: £120,000), with performance materiality of £87,000 (2020: £72,000). We agreed with the Board that we would report all audit differences in excess if £7,250 (2020: £6,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Materiality was determined on the basis of 7% of loss before tax adjusted for unusual and non-recurring transactions. We have used this benchmark to determine our materiality, which we believe is the key metric of the group which is used by shareholders.

We determined materiality of the parent company to be £73,000 (2020: £119,999), with a performance materiality of £43,800 (2020: £71,999). We agreed with the Board that we would report all audit differences in excess of £3,650 (2020: £6,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Materiality was determined on the basis of 7% of loss before tax. We have used this benchmark as the group is in its start-up phase, it is incurring start-up costs following the change of strategy from exploration to CBD business, which are key to shareholders. Trade has grown in the parent company significantly during the year, making up a third of the trade of the group. In arriving at materiality, profit has been adjusted for unusual and non-recurring transactions.

Component materiality ranged between £14,800 and £102,900.

Our approach to the audit

The group includes the listed Parent company and US based subsidiaries. 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 group and the Company, the accounting processes and controls, and the industry in which they operate.

The significant components based in the United States were audited by a component auditor. We had oversight of, and regular communication with, the component auditor who was operating under our instructions. Due to COVID-19 travel restrictions, a remote file review of the component auditor was performed by a member of the Group audit team. This, along with further discussions with the component auditor, gave us sufficient appropriate evidence for our audit opinion on the group financial statements.

As part of our planning, we assessed the risk of material misstatement including those that required significant auditor consideration at the component and group level. In particular, we looked at areas of estimation, for example in respect of the valuation of inventory. Procedures were then performed to address the risk identified and for the most significant assessed risks of misstatement, the procedures performed are outlined below in the key audit matters section of this report. We re-assessed the risks throughout the audit process and concluded the scope remained the same as at planning.

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 our scope addressed this matter
Classification and Valuation of inventory (as disclosed in note 13)	
The valuation of inventory is reliant on the net realisable value which reflects future demand and market trends which are difficult to anticipate. Furthermore, the classification of the asset needs to be determined as to whether the asset is that of a living plant or the processed CBD. There is a risk that the carrying value of inventory is materially misstated with regards to valuation. We consider this to be a key audit matter given the financial significance. Inventory represents 70% of the group's total assets at 31 March 2021 and management use judgement and estimation in arriving at the valuation. The variance from the prior year is also minimal, suggesting a risk of historical balances being retained.	Our work in this area included: • Attending (through an independent third party or by component auditors) an inventory count at each location in which material inventory as held; • Identifying the nature of the inventory balance to ensure appropriate classification and valuation methodology; • Considering the classification of inventory in terms of IAS 2; • Reviewing and challenging the valuation of inventory to ensure that it is in accordance with IAS 2; • Reviewing and challenging management's revenue forecast to ensure demand for the inventory exists as well as a review of management's ability to forecast by referring to previous forecast models compared to actual; and

Further risk that the accounting treatment of the asset is incorrect depending on the stage of the asset in its lifecycle.	• Assessing management's provisioning methodology and re-perform the assessment to ensure the provision is not understated We have obtained sufficient and appropriate audit evidence over the classification and valuation of inventory.
Going Concern (as disclosed in note 2.3)	
When preparing financial statements in the UK, those charged with governance should satisfy themselves as to whether the going concern basis is appropriate. The group is currently expanding its CBD business and therefore requires a high cash burn, particularly in relation to distribution costs. Long term success of the CBD revenue stream is also not proven at this stage of the business. ISA 570 "Going concern" specifically requires the auditor, when planning and performing audit procedures and in evaluating the results, to consider the appropriateness of the Directors use of the going concern assumption in the preparation of the financial statements and the adequacy of any relevant disclosures in the financial statements.	It is a requirement of IFRS, as adopted by the European Union that, in determining that the going concern basis is appropriate, the Directors must consider a period of at least 12 months from the anticipated date of signing of the financial statements. Our work in this area included: • Obtaining cash flow forecasts, management accounts, and budgets from management for a period of at least 12 months from the date of signing the financial statements to give an indication of the expected financial returns in future months; • Reviewing documents for reasonableness by comparing previous forecasts to actual results; • Considering the current available financial headroom and confirm existence, legality and enforceability of any financial support arrangements; • Reviewing correspondence with bankers, legal advisors, and meeting minutes for any references to financial difficulties; • Continued to review RNS releases and discussed subsequent events and future plans with management; and • Ensuring sufficient disclosure of management's assessment of the impact of COVID-19 and the measures being taken to mitigate the risks its poses. The group has sufficient funds to continue as a going concern as a result of fundraising initiatives undertaken post year end. We have obtained sufficient and appropriate audit evidence over the use of going concern assumption.

Valuation of loans to group undertakings (Chill Brands Group PLC only) (as disclosed in note 12)	
The Company has loan investments in its subsidiaries totalling over £5m. There is a risk that these loans could be impaired given the write down of the investments in these subsidiaries following its change in strategy the prior period.	Our work is this area included: • Assessing the recoverability of the loans by testing management's impairment review of the investments. • Reviewing current trading conditions including distribution agreements signed, assets to be realised and the general growth in the CBD market; • Reviewing latest subsidiary accounts to confirm the year-end financial position and performance; • Reviewing budgets and forecasts and challenge management's underlying assumptions; and • Analysing subsequent events in support of the budgets to determine reliability of management's budgeting process. We have obtained sufficient and appropriate audit evidence over the valuation of loan investments.

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 their 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 by the parent company, 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 parent 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, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from Companies Act 2006, Listing Rules,

Disclosure and Transparency Rules, UK Corporate Governance Code, The Food Standards Agency (FSA), US employment law and specific legislation in respect of Cannabinoid companies.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
- Enquiries of management, review of minutes, review of legal / regulatory correspondence.
- Instruction the component auditors to make inquires of local management, together with their own assessment of risk of non-compliance.
- 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.
- 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, judgement and assumptions for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business. In this context we view the significant estimates as being the key assumptions underlying the value in use calculations in the assessment of the intangible assets impairment.
- We issued instructions the component auditors to make inquires of local management, together with their own assessment of risk of non-compliance.

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.

Other matters which we are required to address

We were appointed by the Board of Directors on 11 May 2021 to audit the financial statements for the period ending 31 March 2021 and subsequent financial periods. Our total uninterrupted period of engagement is 3 years, covering the periods ending 31 March 2019 to 31 March 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

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
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28th September 2021

Chill Brands Group PLC (Formerly Zoetic International PLC)
Consolidated Statement of Comprehensive Income
For the years ended 31 March 2021 and 2020

	Notes	Year ended 31 March 2021 £		Year ended 31 March 2020 £ (Restated)	
Revenue	3	**320,875**		92,606	
Cost of sales		**(361,517)**		(56,684)	
Gross (loss) profit		**(40,642)**		35,922	
Administrative expenses		**(2,151,391)**		(1,884,955)	
Share-based payment charge		**-**		(1,096,500)	
Share expenses for options granted		**(1,410,268)**		-	
Other Expense	25	**(1,200,000)**		-	
Operating Loss	5	**(4,802,301)**		(2,945,533)	
Finance income		**1,762**		1,904	
Loss on ordinary activities before taxation		**(4,800,539)**		(2,943,629)	
Taxation on loss on ordinary activities	7	**-**		-	
Loss for the period from continuing activities		**(4,800,539)**		(2,943,629)	
Loss for the period from discontinued activities	8	**(49,762)**		(5,231,384)	
Loss for the period		**(4,850,301)**		(8,175,013)	
Other comprehensive income					
Items that may be re-classified subsequently to profit or loss:					
Foreign exchange adjustment on consolidation		**231,644**		723,568	
Total comprehensive loss for the period attributable to the equity holders		**(4,618,657)**		(7,451,445)	
Earnings per share (basic and diluted) attributed to the equity holders:					
Attributable to continuing activities		**(2.48)**	p	(2.02)	p
Attributable to discontinued activities		**(0.03)**	p	(3.60)	p
Total	9	**(2.51)**	p	(5.62)	p

Chill Brands Group PLC (Formerly Zoetic International PLC)
Registered Number: 09309241

Consolidated Statement of Financial Position
At 31 March 2021 and 2020

	Notes	At 31 March 2021 £	At 31 March 2020 £ (Restated)
Non-Current Assets			
Tangible assets	10	**54,597**	83,002
Total Non-current Assets		**54,597**	83,002
Current Assets			
Inventories	12	**1,238,779**	1,167,736
Trade and other receivables	13	**136,093**	1,437,132
Assets held for sale	14	**-**	301,891
Cash and cash equivalents	15	**333,176**	349,006
Total Current Assets		**1,708,048**	3,255,765
Total Assets		**1,762,645**	3,338,767
Non-Current Liabilities			
Loans, excluding current maturities	24	**72,042**	-
Total Noncurrent Liabilities		**72,042**	-
Current Liabilities			
Current maturities of loans	24	**8,382**	-
Trade and other payables	16	**661,653**	1,227,385
Accrued liabilities	25	**1,244,750**	-
Total Current Liabilities		**1,914,785**	1,227,385
Total Liabilities		**1,986,827**	1,227,385
Net Assets		**(224,182)**	2,111,382
Equity			
Share capital	19	**2,020,700**	1,729,200
Share premium account	20	**4,698,441**	3,020,616
Share based payments reserve	21	**1,431,686**	54,171
Shares to be issued reserve	28	**-**	1,096,500
Foreign currency translation reserve		**532,646**	301,002
Retained loss		**(8,907,655)**	(4,090,107)
Total Equity		**(224,182)**	2,111,382

The financial statements were approved by the Board of Directors on 28 September 2021 and signed on their behalf by:

Trevor Taylor **Antonio Russo**

Chill Brands Group PLC (Formerly Zoetic International PLC)

Registered Number: 09309241

Company Statement of Financial Position

At 31 March 2021 and 2020

	Notes	At 31 March 2021 £	At 31 March 2020 £ (Restated)
Non-Current Assets			
Loan to group undertaking	11	**5,057,643**	2,686,998
Total Non-current Assets		**5,057,643**	2,686,998
Current Assets			
Inventories	12	**80,400**	155,762
Trade and other receivables	13	**42,116**	1,211,835
Cash and cash equivalents	15	**181,462**	277,083
Total Current Assets		**303,978**	1,644,680
Total Assets		**5,361,621**	4,331,678
Non-Current Liabilities			
Long-term debt, excluding current maturities	24	**46,778**	-
Total Noncurrent Liabilities		**46,778**	-
Current Liabilities			
Current maturities of long-term debt	24	**3,222**	-
Trade and other payables	16	**226,833**	433,614
Accrued liabilities	25	**1,244,750**	-
Total Current Liabilities		**1,474,805**	433,614
Total Liabilities		**1,521,583**	433,614
Net Assets		**3,840,038**	3,898,064
Equity			
Share capital	19	**2,020,700**	1,729,200
Share premium account	20	**4,698,441**	3,020,616
Share based payments reserve	21	**1,431,686**	54,171
Shares to be issued reserve	28	**-**	1,096,500
Retained loss		**(4,310,789)**	(2,002,423)
Total Equity		**3,840,038**	3,898,064

The financial statements were approved by the Board of Directors on 28 September 2021 and signed on their behalf by:

Antonio Russo

Trevor Taylor **Antonio Russo**

Chill Brands Group PLC (Formerly Zoetic International PLC)

Consolidated Statement of Changes in Equity
For the years ended 31 March 2021 and 2020

	Share Capital £	Share Premium Account £	Share Based Payment Reserve £	Shares to be Issued Reserve £	Foreign Currency Translation Reserve £	Retained Loss £	Total £
At 31 March 2019	**1,364,831**	**1,276,611**	**793,128**	**-**	**(422,566)**	**3,305,124**	**6,317,128**
Comprehensive income for the period							
Loss for the period	-	-	-	-	-	(8,175,013)	(8,175,013)
Other comprehensive income	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	723,568	-	723,568
Total comprehensive loss for the period attributable to the equity holders	-	-	-	-	723,568	(8,175,013)	(7,451,445)
Issue of warrant and options	-	-	40,825	-	-	-	40,825
Lapse of warrants	-	-	(247,825)	-	-	247,825	-
Exercise of warrants	300,500	1,377,000	(531,957)	-	-	531,957	1,677,500
Shares to be issued	-	-	-	1,096,500	-	-	1,096,500
Shares issued in the period	63,869	390,130	-	-	-	-	453,999
Cost relating to share issues	-	(23,125)	-	-	-	-	(23,125)
At 31 March 2020	**1,729,200**	**3,020,616**	**54,171**	**1,096,500**	**301,002**	**(4,090,107)**	**2,111,382**
At 1 April 2020 as previously stated	**1,729,200**	**3,020,616**	**54,171**	**-**	**301,002**	**(2,993,607)**	**2,111,382**
Prior period adjustment (Note 28)	-	-	54,171	1,096,500	-	(1,096,500)	-
At 1 April 2020 restated	**1,729,200**	**3,020,616**	**54,171**	**1,096,500**	**301,002**	**(4,090,107)**	**2,111,382**
Comprehensive income for the period							
Loss for the period	-	-	-	-	-	(4,850,301)	(4,850,301)
Other comprehensive income	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	231,644	-	231,644
Total comprehensive loss for the period attributable to the equity holders	-	-	-	-	231,644	(4,850,301)	(4,618,657)
Issue of warrant and options	-	-	1,410,268	-	-	-	1,410,268
Lapse of warrants	-	-	(32,753)	-	-	32,753	-
Exercise of warrants	20,000	200,000	-	-	-	-	220,000
Conversion of loans	55,000	275,000	-	-	-	-	330,000
Shares issued in the period	216,500	1,230,000	-	(1,096,500)	-	-	350,000
Cost relating to share issues	-	(27,175)	-	-	-	-	(27,175)
At 31 March 2021	2,020,700	4,698,441	1,431,686	-	532,646	(8,907,655)	(224,182)

Chill Brands Group PLC (Formerly Zoetic International PLC)

Company Statement of Changes in Equity
For the years ended 31 March 2021 and 2020

	Share Capital £	Share Premium Account £	Share Based Payment Reserve £	Shares To Be Issued Reserve £	Retained Loss £	Total £
At 31 March 2019	**1,364,831**	**1,276,611**	**793,128**	**-**	**14,096,786**	**17,531,356**
Comprehensive income for the period						
Loss for the period	-	-	-	-	(16,878,991)	(16,878,991)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period attributable to the equity holders	-	-	-	-	(16,878,991)	(16,878,991)
Issue of warrant and options	-	-	40,825	-	-	40,825
Lapse of warrants	-	-	(247,825)	-	247,825	-
Exercise of warrants	300,500	1,377,000	(531,957)	-	531,957	1,677,500
Shares to be issued	-	-	-	1,096,500	-	1,096,500
Shares issued in the period	63,869	390,130	-	-	-	453,999
Cost relating to share issues	-	(23,125)	-	-	-	(23,125)
At 31 March 2020	**1,729,200**	**3,020,616**	**54,171**	**1,096,500**	**(2,002,423)**	**3,898,064**
At 1 April 2020 as previously stated	**1,729,200**	**3,020,616**	**54,171**	**-**	**(2,002,423)**	**4,994,564**
Prior period adjustment (Note 28)	-	-	-	1,096,500	-	1,096,500
At 1 April 2020 restated	**1,729,200**	**3,020,616**	**54,171**	**1,096,500**	**(2,002,423)**	**6,091,064**
Comprehensive income for the period						
Loss for the period	-	-	-	-	(2,341,119)	(2,341,119)
Other comprehensive income	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-
Total comprehensive loss for the period attributable to the equity holders	-	-	-	-	(2,341,119)	(2,341,119)
Issue of warrant and options	-	-	1,410,268	-	-	1,410,268
Lapse of warrants	-	-	(32,753)	-	32,753	-
Exercise of warrants	20,000	200,000	-	-	-	220,000
Conversion of loans	55,000	275,000	-	-	-	330,000
Shares issued in the period	216,500	1,230,000	-	(1,096,500)	-	350,000
Cost relating to share issues	-	(27,175)	-	-	-	(27,175)
At 31 March 2021	**2,020,700**	**4,698,441**	**1,431,686**	**-**	**(4,310,789)**	**3,840,038**

Chill Brands Group PLC (Formerly Zoetic International PLC)

Consolidated Statement of Cash Flows
For the years ended 31 March 2021 and 2020

	2021 £	2020 £ (Restated)
Cash Flows From Operating Activities		
Loss for the period	**(4,850,301)**	(8,175,013)
Adjustments for:		
Depreciation and amortization charges	**20,677**	330,315
Impairment provision	**206,685**	4,401,185
Loss on disposal of tangible and intangible assets	**-**	194,625
Share-based payment charge	**-**	1,096,500
Share expenses for options granted	**1,410,268**	-
Charge in respect of grant of options	**-**	40,826
Foreign exchange translation adjustment	**193,717**	500,680
Operating cash flow before working capital movements	**(3,018,954)**	(1,610,882)
Increase in inventories	**(275,743)**	(1,167,376)
Decrease in trade and other receivables	**1,301,039**	940,182
Decrease in trade and other payables	**(235,732)**	(416,985)
Increase in accrued expenses	**1,244,750**	-
Net Cash outflow from Operating Activities	**(984,640)**	(2,255,061)
Cash Flows From Investing Activities		
Proceeds from sale of assets held for sale	**301,891**	-
Purchase of tangible fixed assets	**(1,352)**	(162,625)
Net Cash generated from/(used in) Investing Activities	**300,539**	(162,625)
Cash Flows From Financing Activities		
Net proceeds from issue of shares	**542,825**	2,108,374
Loans made by the Company	**80,424**	(1,190,500)
Convertible loan notes issued by the Company	**-**	330,000
Net Cash Generated from Financing Activities	**623,249**	1,247,874
Net increase (decrease) in cash and cash equivalents		
As above	**(60,852)**	(1,169,812)
Cash and cash equivalents at beginning of period	**349,006**	1,508,649
Foreign exchange adjustment on opening balances	**45,022**	10,169
Cash and cash equivalents at end of period	**333,176**	349,006

Chill Brands Group PLC (Formerly Zoetic International PLC)

Company Statement of Cash Flows
For the years ended 31 March 2021 and 2020

	2021 £	2020 £ (Restated)
Cash Flows From Operating Activities		
Loss for the period	**(2,341,119)**	(16,878,991)
Adjustments for:		
Depreciation and amortization charges	**-**	70,650
Impairment provision	**79,929**	365,025
Charge in respect of grant of options	**-**	7,655
Foreign exchange translation adjustment	**-**	(65,152)
Provision against investment in loan to subsidiary	**-**	15,746,468
Operating cash flow before working capital movements	**(2,261,190)**	(754,345)
Increase in inventories	**(4,567)**	(155,762)
Decrease in trade and other receivables	**1,169,719**	6,790
Increase/(decrease) in trade and other payables	**123,219**	(48,806)
Increase in accrued expenses	**1,244,750**	-
Net Cash outflow from Operating Activities	**271,931**	952,123
Cash Flows From Investing Activities		
Investment in and loan to subsidiary	**(960,377)**	(1,311,800)
Net Cash Used from Investing Activities	**(960,377)**	(1,311,800)
Cash Flows From Financing Activities		
Net proceeds from issue of shares	**542,825**	2,108,374
Loans made by the Company	**50,000**	(1,190,500)
Convertible loan notes issued by the Company	**-**	330,000
Net Cash Generated from Financing Activities	**592,825**	1,247,874
Net increase (decrease) in cash and cash equivalents		
As above	**(95,621)**	(1,016,049)
Cash and cash equivalents at beginning of period	**277,083**	1,293,132
Cash and cash equivalents at end of period	**181,462**	277,083

Notes to the Financial Statements

1. General Information

1.1 Group

Chill Brands Group PLC ("the Company") (formerly Zoetic International PLC) and its subsidiaries (together "the Group") are involved in the development, production and distribution of premium cannabidiol (CBD) products. The Company, a public limited company incorporated and domiciled in England and Wales, is the Group's ultimate parent company. The Company was incorporated on 13 November 2014 with Company Registration Number 09309241 and its registered office and principal place of business is 27/28 Eastcastle Street, London W1W 8DH.

1.2 Company income statement

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The loss for the financial period dealt with in the accounts of the Company, including provision against the loans to subsidiary companies, amounted to £2,341,119 (2020: loss £16,878,991).

2. Principal Accounting Policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies to the European Union. The Consolidated Financial Statements have been prepared under the historical cost convention as adjusted to fair values where applicable. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Consolidated Financial Statements. The financial statements are prepared in pounds sterling and presented to the nearest pound.

2.2 Basis of consolidation

The Group financial information incorporates the financial information of the Company and its controlled subsidiary undertakings, drawn up to 31 March 2021. Control is achieved where the Company:

- has power of the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary.

Where necessary, adjustments are made to the financial information of subsidiaries to bring accounting policies into line with those used for reporting the operations of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.3 Going concern

The financial statements have been prepared on a going concern basis which assumes that the Group will continue in operational existence for the foreseeable future.

The Group has been generating revenues from the sale of its CBD products in the United Kingdom and United States and this is forecasted to increase.

2. Principal Accounting Policies continued

The Group made a loss for the year of £4,850,301 after taxation and foreign exchange adjustments and held bank balances of £333,176 at the year end. The Group has implemented several cost reductions and reduced outstanding debts. With these developments, along with the divestment of the majority of the Group's major natural resources holdings, the Board anticipates an improvement in cash flow as exposure to ongoing costs has been substantially reduced.

Significantly, the Group entered into new sales commitments post year end for distribution of its retail CBD products across the United States and United Kingdom and it is expected that these will generate additional revenue in the near term. The Group's CBD business has, to date, been cash absorbing but with further sales commitments and stronger market penetration in the United States it is expected to become cash generative as the months go on. On 4 May 2021, the Group raised £6,000,000, before expenses, through the issuance of 10,000,000 new ordinary shares of 1 pence each at a price of 60 pence per Ordinary shares from both new and existing shareholders (see Note 29 for additional discussion on subsequent events). The Board continues to explore new opportunities for its CBD business, many of which are on an international level.

The Directors have reviewed the working capital requirements of the Group for the next 12 months and are confident that these can be met. Requirements reviewed include a variety of scenarios including a worst case scenario which included no sales and a linked cost reduction including, but not limited to, a reduction in Directors salaries. Based on these considerations, the Directors consider that the continued adoption of the going concern basis is appropriate and the accounts do not reflect any adjustments that would be required if they were to be prepared on any other basis.

2.4 Business combinations

There were no Business Combinations as defined by IFRS 3 (revised) during the period.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at 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, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognized at their fair values at the acquisition date.

In arriving at the cost of acquisition, the fair value of the shares issued by the Company is taken to be the mid-market price of those shares at the date of issue. Where this figure exceeds the nominal value of the shares, the excess amount is treated as an addition to the share premium account.

2.5 Revenue recognition

The Group has received revenue during the period from the sale of CBD products. The Group has both online sales of CBD products and retail sales through distribution channels in the United States and United Kingdom.

Online sales; the Group records revenues from the sales of CBD products as the performance obligations is met when the product has been delivered to the purchaser under the terms of the contract and the significant risks and rewards of ownership have been transferred to the customer.

Retail sales; the Group has distribution agreements with wholesale distributors who distribute the CBD products to retail stores throughout the United States and United Kingdom. Revenue is recorded as the performance obligation is met when the customer purchases the product in retail stores and all contractual terms are met in the distribution agreement as ownership has been transferred to the customer.

Notes to the Financial Statements continued

2. Principal Accounting Policies continued

2.6 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM").

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, during the year were Trevor Taylor and Antonio Russo, the joint CEOs.

All operations and information are reviewed together so that at present there is only one reportable operating segment this year.

2.7 Foreign currency translation

The Company's consolidated financial statements are presented in Sterling (£), which is also the functional currency of the parent company. The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For UK based companies the functional currency is Sterling and for all USA based companies the functional currency is US Dollars.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement for the period. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss is also recognized directly in equity. When a gain or loss on a non-monetary item is recognized in the income statement, any exchange component of that gain or loss is also recognized in the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Sterling using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in equity. Cumulative translation differences are recognized in profit or loss in the period in which the foreign operation is disposed of.

2.8 Defined contribution pension funds

From time to time the Group may pay contributions related to salary to certain UK employees' individual pension schemes. The pension cost charged against profits represents the amount of the contributions payable to the schemes in respect of the accounting period. No separate provision is made in respect of non-UK employees.

2.9 Joint Arrangements, Farm-in and Profit-Sharing Agreements

Throughout the year, the Group has been party to a joint arrangement under a contractual agreement that sets out the terms of the relationship over the relevant activities of the Group and at least one other party.

The management have a legal degree of control over these joint operating arrangements through Joint Operating Agreements.

Notes to the Financial Statements continued

2. Principal Accounting Policies continued

The Group classifies its interests in joint arrangements as joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

The Group accounts for its interests in joint operations by recognizing its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

The Group accounts for its own assets, liabilities and cash flows measured in accordance with the terms of the production sharing agreement and the accounting treatment reflects the agreement's commercial effect. The Group's revenue and cost of sales include revenues and operating costs associated with the Group's interest. In the current year, the joint farm-in and profit sharing agreements operations have been discontinued.

2.10 Investment in subsidiaries

Investment in subsidiaries comprises shares in the subsidiaries stated at cost less provisions for impairment.

2.11 Tangible fixed assets

The Group holds physical plant and equipment which are classified as tangible fixed assets.

Property, plant and equipment

All plant and machinery is stated in the accounts at its cost of acquisition less a provision for depreciation.

Depreciation is charged to write of the cost less estimated residual values of plant and equipment on a straight line basis over their estimated useful lives. Estimated useful lives and residual values are reviewed each year and amended if necessary.

The principle rate of depreciation used is 25% per annum.

Asset Retirement Obligations

The Group records the fair value of a liability for an asset retirement obligation in the period in which it is incurred with a corresponding increase in the carrying amount of the related long-lived asset. Liabilities are required to be accreted to their present value each period, and capitalized costs are depleted on a held-by-held basis using the units-of-production method. This periodic accretion expense is included in depreciation, depletion, amortization, and accretion in the consolidated and combined statements of operations. Upon settlement of the liability, the Group will settle the obligation against its recorded amount and will record any resulting gain or loss in the consolidated and combined statements of operations.

2.12 Impairment testing of property, plant and equipment

At each balance sheet date, the Group assesses whether there is any indication that the carrying value of any asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions

Notes to the Financial Statements continued

2. Principal Accounting Policies continued

less costs to sell, and value in use, based on an internal discounted cash flow evaluation. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit.

2.13 Assets held for sale

Assets are classified as held for sale when:

- they are available for immediate sale;
- management is committed to a plan to sell;
- it is unlikely that significant changes to the plan will be made or that it will be withdrawn;
- an active program to locate a buyer has been initiated;
- the asset is being marketed as a reasonable price in relation to its fair value; and
- a sale is expected to complete within 12 months from the date of classification. Assets are classified as held for sale are measured at the lower of:
- their carrying amount immediately prior to being classified as held for sale in accordance with the Group's accounting policy; and
- fair value less disposal cost.

2.14 Inventories

Inventories comprise finished products and raw materials either grown and developed by the Group or bought in from third parties. All inventory items are stated at their cost of production or acquisition, or at net realizable value if this is lower. As of 31 March 2021, there are no biological assets.

2.15 Government Loans

The Group received a Paycheck Protection Program (PPP) loan from the Small Business Administration (SBA) as established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The loan is designed for qualifying businesses for amounts up to 2.5 times of the average monthly payroll expense of the qualifying business. The SBA will forgive PPP loans if all employee retention criteria are met and the funds are used for eligible expenses. The PPP loan initially is recorded as debt on the financials and 100% unsecured. If the loan is not forgiven, the Group must pay monthly principal and interest payments loan at a stated interest rate per year. The Group recognizes grant income equal to the PPP proceeds received upon forgiveness of the loan.

The Group received a Bounce Back Loan Scheme (BBLS) managed by the British Business Bank on benefit of and with the financial backing of the Secretary of State for Business, Energy and Industrial Strategy. The BBLS loan initially is recorded as debt on the financials and the Group pay monthly principal and interest payments at a stated interest rate.

See Note 24 for additional information regarding our loans.

2.16 Leases

The Group determines if an arrangement is a lease at inception if the contract conveys the right to control the use and obtain substantially all the economic benefits from the use of an identified asset for a period of time in exchange for consideration.

The Group identifies a lease as a finance lease if the agreement includes any of the following criteria: transfer of ownership by the end of the lease term; an option to purchase the underlying asset that the lessee is reasonably certain to exercise; a lease term that represents 75 percent or more of the remaining economic life of the underlying asset; a present value of lease payments and any residual value guaranteed by the lessee that equals or exceeds 90 percent of the fair value of the underlying asset; or an underlying asset that is so specialized in nature that there is no expected alternative use to the lessor at the end of the lease term. A lease that does not meet any of these criteria is considered an operating lease.

2. Principal Accounting Policies continued

Lease right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Right-of-use assets and liabilities are recognized at the commencement date of a lease based on the present value of lease payments over the lease term. Our lease terms may include options to extend or terminate the lease. The Group includes these extension or termination options in the determination of the lease term when it is reasonably certain that we will exercise that option. The Group does not recognize leases having a term of less than one year in our consolidated balance sheets.

For purposes of determining the present value of the lease payments, we use a lease's implicit interest rate when readily determinable. As most of our leases do not provide an implicit interest rate, we use an incremental borrowing rate based on available information at the commencement of the lease. Lease cost for operating leases is recognized on a straight-line basis over the lease term.

2.17 Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a Share-based payment reserve as a component of equity until related options or warrants are exercised.

Retained loss includes all current and prior period results as disclosed in the income statement.

2.18 Share-based payments

The Group issued warrants to the initial investors and certain counterparties and advisers in previous periods as well as issuing share options to its US based staff and Directors.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using either a Black Scholes or Monte Carlo pricing model, depending upon which methodology is most appropriate in relation to the terms and conditions of the options or warrants granted. The key assumptions used in the models have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The Group issues shares allocated as compensation to its US based staff and Directors. Upon vesting date, the shares are valued at the stated par value and share premium and recorded as compensation expense and share premium on the financial statements.

2.19 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary

2. Principal Accounting Policies continued

differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.20 Financial assets and liabilities

Financial assets

(a) Classification

The Group classifies its financial assets at amortized cost and at fair value through the profit or loss. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(b) Recognition and measurement

Amortized cost

Regular purchases and sales of financial assets are recognized at cost on the trade date, the date on which the Group commits to purchasing or selling the asset. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Fair value through the profit or loss (“FVTPL”)

Financial assets that do not meet the criteria for being measured at amortized cost or fair value through other comprehensive income (“FVTOCI”) are measured at FVTPL.

Financial assets at FTVPL, are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss. Fair value is determined by using market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels based on how observable the inputs used in the valuation technique utilized are (the ‘fair value hierarchy’):

- Level 1: Quoted prices in active markets for identical items (unadjusted)
- Level 2: Observable direct or indirect inputs other than Level 1 inputs
- Level 3: Unobservable inputs (i.e. not derived from market data).

2. Principal Accounting Policies continued

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

The Group measures its investments in quoted shares using the quoted market price.

(c) Impairment of financial assets

The Group recognizes an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original expected interest rate ("EIR"). The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs, as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognizes a loss allowance based on the financial asset's lifetime ECL at each reporting date.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Group assesses whether financial assets carried at amortized cost are credit impaired.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

(d) Derecognition

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. This is the same treatment for a financial asset measured at FVTPL.

Financial liabilities

(a) Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings

2. Principal Accounting Policies continued

and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans.

(b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss and other comprehensive income.

Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognized, as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

(c) Derecognition

A financial liability is derecognized when the associated obligation is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss and other comprehensive income.

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit and loss or other liabilities, as appropriate. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Financial liabilities included in trade and other payables are recognized initially at fair value and subsequently at amortized cost.

2.21 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognized in the financial information. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are those relating to:

- the carrying value of the investment in, and loan to, the subsidiary companies; and
- the fair value of options granted to Directors

2. Principal Accounting Policies continued

Carrying value of investment in, and loan to, subsidiary companies

The Company has invested in the subsidiary companies which, whilst generating revenues, are not yet profitable or providing positive cash flows. Following the decision to withdraw from the oil and gas sector in the prior year, full provision has been made by the Company against the investment in share capital of the subsidiaries involved in those activities. The newly established CBD business has started to generate revenues and the Board is confident in its future prospects. The estimates used in forecasting the potential future cash generation by the CBD operations focus on business sensitive factors such as distribution agreements, sales volume, pricing and cost of sales. The Directors considered the recoverability of the loans to subsidiaries and expect to recover the loan to be recoverable within one year as sale commitments and purchase orders continue to grow in quantity and pace as the Group continues to build a global brand. No provision has therefore been made against the investment in that business by way of intercompany loans nor against possible future costs or losses of the subsidiaries, see Note 11 below.

Fair value of options granted to Directors

Fair value is measured using either a Black Scholes or Monte Carlo pricing model, depending upon which methodology is most appropriate in relation to the terms and conditions of the options or warrants granted. The key assumptions used in the models have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations, see Note 21.

The Group

2.22 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

a) New and amended Standards and Interpretations adopted by the Group and Company

No standards or Interpretations that came into effect for the first time for the financial year beginning 1 April 2020 have had an impact on the Group.

b) New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 April 2020

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not been adopted by the UK):

- Amendments to References to Conceptual Framework in IFRS Standards – effective from 1 January 2020
- Definition of Material (Amendments to IAS 1 and IAS 8) – effective from 1 January 2020
- Amendments to IFRS 9, IAS 39 and IFRS 17: Interest Rate Benchmark Reform - effective from 1 January 2020
- Amendment to IFRS 3 Business Combinations – effective 1 January 2020
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – effective 1 January 2023*
- Amendments to IFRS 3: Business Combinations – Reference to the Conceptual Framework – effective 1 January 2022*
- Amendments to IFRS 9, IAS 3, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 - effective from 1 January 2021
- Amendments to IAS 16: Property, Plant & Equipment – effective 1 January 2022*
- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets – effective 1 January 2022*

2. Principal Accounting Policies continued

- Annual Improvements to IFRS Standards 2018-2020 Cycle – effective 1 January 2022*
- Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies – effective 1 January 2023*
- Amendments to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates – effective 1 January 2023*
- Amendments to IFRS 16: Leases – Covid-19-Related Rent Concessions beyond 30 June 2021 – effective 1 April 2021
- Amendments to IAS 12: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction – effective 1 January 2023*

*subject to UK endorsement

The new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material.

Standards issued but not yet effective:

At the date of authorization of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
COVID-19 Related Rent Concessions	1 June 2020
Interest Rate Benchmark Reform – Phase 2	1 January 2021

The directors are evaluating the impact that these standards will have on the financial statements of Group.

3. Revenue

	2021	2020
	£	£
Sale of CBD Products	320,875	92,606

The Group does not currently differentiate between different geographic or other market categories. Revenues arising in the current and previous period relating to discontinued activities are included in the Loss for the period from discontinued activities, see Note 8.

4. Segment Reporting

In the opinion of the Directors, there were no separate operational segments to be reported upon during the current or previous year.

The Group's oil and gas activities have been discontinued in the prior year with the remaining activities of the Group related to its CBD business activities in the United States and UK. Information relating to the CBD activities are shown in the primary statements.

Notes to the Financial Statements continued

5. Operating Loss

	2021 £	2020 £ (Restated)
This is stated after charging		
Depreciation of property, plant and equipment	20,677	259,665
Amortization of intangible assets	—	70,650
Share-based payments charge	1,410,268	40,826
Lease operating expenses	38,452	297,216
Rent payable under operating lease	—	12,185
Auditors' remuneration		
– audit of parent company	59,700	50,450
Directors' remuneration (including share-based payment charge)	1,692,654	1,634,561
Staff costs (including Directors)	1,985,299	2,736,186

Notes to the Financial Statements

6. Directors and Staff Costs

The staff costs for the Group, for the year, including Directors, were:

	2021 £	2020 £ (Restated)
Salaries	290,347	1,176,636
Fair value of options granted in the year	1,410,268	-
Share-based compensation	-	1,096,500
Compensation for loss of office	92,715	235,319
Pension contributions	2,000	11,000
Healthcare costs	40,554	143,590
	1,835,884	2,663,045
Social Security Costs	149,415	73,141
	1,985,299	2,736,186

The average number of staff during the year, including Directors, was 2 (2020: 23).

The Directors consider that there are no key management personnel other than the Directors during the year.

Management remuneration paid and other benefits supplied to the Directors during the period plus the associated social security costs were as follows:

	2021 £	2020 £ (Restated)
Salaries	152,673	251,484
Fair value of options granted in the year	-	1,096,500
Share-based compensation	92,715	235,319
Compensation for loss of office	2,000	11,000
Pension contributions	1,410,268	6,959
Healthcare costs	34,998	33,299
	1,692,654	1,634,561
Social Security Costs	75,500	25,196
	1,768,154	1,659,757

Management remuneration paid and other benefits supplied to the Key Management during the period plus the associated social security costs were as follows (this includes the directors):

	2021 £	2020 £ (Restated)
Salary	152,673	156,880
Share-based payments	-	1,096,000
Fair value of options granted in year	1,410,268	-
Healthcare costs	34,998	43,944
	1,597,939	1,297,324
Social Security Costs	75,500	9,726
	1,673,439	1,307,050

7. Taxation

	2021 £	2020 £ (Restated)
The charge/credit for the period is made up as follows:		
Corporate Taxation on the results for the period		
UK	--	--
Non-UK	--	--
Taxation charge/credit for the period	--	--
A reconciliation of the tax charge/credit appearing in the income statement to the tax credit that would result from applying the standard rate of tax to the results for the period is:		
Loss per accounts	(4,850,301)	(8,175,013)
Tax credit at the standard rate of corporation tax at a combined rate of 20% (23.15%):	(970,060)	(1,635,003)
Impact of unrelieved tax losses carried forward	970,060	1,635,003
Taxation credit for the period	--	--

The Directors consider that there are no material disallowable costs or timing differences in respect of the current year.

7. Taxation continued

Estimated tax losses of £25,000,000 (2020: £20,000,000) may be available for relief against future profits, however, the estimated tax losses are dependent on eradication of losses on the change from an natural resources business to CBD business. The deferred tax asset not provided for in the accounts based on the estimated tax losses and the treatment of temporary timing differences, is approximately £5,000,000 (2020: £4,000,000). Utilization of these losses in future may or may not be possible depending upon future profitability within the Group and the continued availability of the losses due to the change in the Group's core activities.

8. Loss for the Period from Discontinued Activities

During the prior year, the Board decided that the Group should withdraw from all oil and gas activities due to the continued volatility in the sector and the lack of progress in establishing profitable niche positions for the Group. The Group disposed of its interest in its East Denver producing wells, its Kansas operations and its patent portfolio along with its premises leases during the current year.

The results of the discontinued operations which have been included in the consolidated income statement were as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Revenue and other income	139,586	1,429,462
Administrative expenses	(189,348)	(6,660,846)
Operating loss	(49,762)	(5,231,384)
Loss on ordinary activities before taxation	(49,762)	(5,231,384)
Taxation on loss on ordinary activities	—	—
Loss for the period from discontinued activities	(49,762)	(5,231,384)
Cashflows of discontinued operations		
Operating activities	(49,762)	123,332
Investing activities	—	(131,316)
Financing activities	—	191,476
	(49,762)	183,492

9. Earnings Per Share

The calculation of the earnings per share is based on the weighted average of 193,392,089 (2020:145,407,831) ordinary shares in issue during the period and on the loss for the financial period after taxation of £4,850,301 (2020: restated loss £8,175,013) split between the loss on continuing activities of £4,800,539 (2020: £2,943,629) and the loss on discontinued activities of £49,762 (2020:£5,231,384).

The options outstanding at 31 March 2021 and 31 March 2020 are considered to be non-dilutive in that their conversion into ordinary shares would not increase the net loss per share. Consequently, the diluted loss per share is equal to the basic loss per share.

10. Tangible Assets

Group Cost	Plant and equipment £	Producing assets £	Total £
At 31 March 2019	103,867	1,781,969	1,885,836
Additions	99,320	15,149	114,469
Disposals	(108,768)	(100,790)	(209,558)
Translation adjustment	4,901	84,084	88,985
Transfer to assets held for sale	—	(1,780,412)	(1,780,412)
At 31 March 2020	99,320	—	99,320
Depreciation			
At 31 March 2019	41,679	340,658	382,337
Charge for the year	45,833	213,832	259,665
Disposals	(73,160)	—	(73,160)
Translation adjustment	1,966	16,074	18,040
Transfer to assets held for sale	—	(570,564)	(570,564)
At 31 March 2020	16,318	—	16,318
Cost			
At 31 March 2020	99,320	—	99,320
Additions	1,352	—	1,352
Impairment	(1,985)	—	(1,985)
Translation adjustment	(9,597)	—	(9,597)
At 31 March 2021	89,090	—	89,090
Depreciation			
At 31 March 2020	16,318	—	16,318
Charge for the year	20,677	—	20,677
Translation adjustment	(2,502)	—	(2,502)
At 31 March 2021	34,493	—	34,493
Net book value			
At 31 March 2019	62,188	1,441,311	1,503,499
At 31 March 2020	83,002	—	83,002
At 31 March 2021	54,597	—	54,597

11. Investment in Subsidiary and Loan to Group Undertaking

Company	2021 £	2020 £
Investment in subsidiaries at cost	15,746,468	15,746,468
Less: impairment provision	(15,746,468)	(15,746,468)
Investment in subsidiaries	—	—

Subsidiary Companies:

The Company has three subsidiaries at the year-end 2021 and 2020. All Subsidiary companies are consolidated in the Group's financial statements.

Name	Place of incorporation and operation	Proportion of ownership interest	Loss for the year	Aggregate capital and reserves at 31 March 2021
Highlands Natural Resources Corporation	USA	100%	(£34,705)	(£3,536,750)
Highlands Montana Corporation*	USA	100%	£—	(£3,576,872)
Zoetic Corporation*	USA	100%	(£2,244,575)	(£3,869,628)

* Owned by Highlands Natural Resources Corporation

During the prior year, the Company wound up two if its subsidiaries, Highlands Water Resources Corporation and Brent Natural Resources Ltd

The principal activity of the Company is as a developer and producer of CBD products.

The principal activity of Highlands Natural Resources Corporation and Highlands Montana Corporation is oil and gas exploration and production.

The registered offices of the USA based subsidiaries are at 1601 Riverfront Drive Suite 201, Grand Junction, Colorado 81501, USA.

The ownership in all cases is of 100 per cent. of the issued ordinary shares of each company and in all cases represents 100 per cent. of the voting rights.

The investments in the shares of the subsidiaries are long term holdings and were initially made for the long term financing of the Group's oil and gas activities. Given the withdrawal of the Group from the oil and gas sector, and the associated losses generated from those discontinued activities, the Board has taken the view that there is no certainty of any significant sums being generated in the future from those activities to support the initial investment values. Consequently, the Company has made full provision against the investment in the shares of its US based oil and gas subsidiaries.

During the year the Company made further loans to its USA based operating subsidiaries to fund the US operations in the CBD Operations. The loans are repayable upon demand but there is no expectation of

11. Investment in Subsidiary and Loan to Group Undertaking continued

repayment in the short term. The Board considers that in due course such loans will be recoverable in full or be supported by the underlying assets and potential of the CBD operations.

Loan to group undertaking	Loan at cost £	Impairment Provision £	Net Total £
At 31 March 2020 (restated)	2,686,998	—	2,686,998
Additions	2,370,645	—	2,370,645
At 31 March 2021	5,057,643	—	5,057,643

Due to the nature of the loans to subsidiaries, these were classed as a long term asset at both 31 March 2020 and 31 March 2021.

The Directors considered the recoverability of the loans to subsidiaries and expect to recover the loan to be recoverable within one year as sale commitments and purchase orders continue to grow in quantity and pace as the Group continues to build a global brand.

12. Inventories

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Finished goods	1,157,960	80,400	1,167,736	155,762
Raw materials	80,819	—	—	—
	1,238,779	80,400	1,167,736	155,762

13. Trade & Other Receivables

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Trade receivables	55,637	5,858	217,449	2,202
Loans	—	—	1,190,500	1,190,500
Prepayments & other debtors	80,456	36,258	29,183	19,133
	136,093	42,116	1,437,132	1,211,835

All amounts in trade receivables are due within 3 months. Prepayments & other debtors includes £nil (2020: £nil) which is receivable in more than one year.

13. Trade & Other Receivables continued

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. Fair values have been calculated by discounting cash flows at prevailing interest rates. See also Note 26.

Included in Trade and Other receivables were Loan Notes totalling £nil (2020: £1,190,500). These arose from the exercise of 23,810,000 warrants in March 2020. In order to facilitate the exercise of these warrants which would generate funds for the company of £1,190,500, the Company allowed the transfer of the warrants to a new holder and their immediate exercise, with the payment of the exercise price being deferred via the Loan Notes. The loans carry interest at 1% per annum and are secured against the underlying shares. The loans were repayable in 10 equal monthly instalments commencing 30 April 2020.

The Group applies the IFRS9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The Group's customer base is of a similar bracket and share the same characteristics, as such these have been treated as one population. The expected lifetime losses are considered to be £nil. All trade receivables are due with 90 days as at year end.

14. Assets Held for Sale

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Assets held for sale	—	—	301,891	—

As a result of the Group's decision to move away from the oil and gas sector, the Group disposed all of its interest in its oil and gas assets. Consequently, all of these assets, whether initially tangible or intangible fixed assets, were reclassified as "Assets held for sale" as of 31 March 2020. The Board has reviewed all assets within this category for potential impairment and has reduced the carrying value to the net realizable value of the items based on negotiations in place at the year end and any other indications. Where there is no certainty that the Group will be able to realize any immediate proceeds from such a disposal the Board has made a full impairment provision against the book value of the assets as of 31 March 2020. The prior year impairment provision for the year in respect of these assets was £4,401,185.

15. Cash & Cash Equivalents

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Cash at bank	333,176	181,462	349,006	277,083

Cash at bank comprises of balances held by the Group in current bank accounts. The carrying amount of these assets approximates to their fair value.

15. Cash & Cash Equivalents continued

The credit rating for Clydesdale Bank plc were:

Rating Agency	Rating
Fitch	A-
Moody’s	A2

16. Trade & Other Payables

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Bank borrowings	—	—	256,929	—
Trade payables	339,938	171,377	109,238	9,383
Convertible loan notes	—	—	330,000	330,000
Accruals & other payables	321,715	55,456	531,218	94,231
	661,653	226,833	1,227,385	433,614

Bank borrowings represent a loan to a US based subsidiary, secured on the producing assets of that subsidiary. The loan was for an initial period of one year but has been extended pending disposal of the underlying assets, which took place post year end when the loan was repaid. The loan carried interest at 5% above US base rate. The net debt of the Group decreased from £256,929 at 31 March 2020 to £nil at 31 March 2021 as part of the sale of the oil and gas assets held for sale.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying amount of trade and other payables approximates to their fair value. Fair values have been calculated by discounting cash flows at prevailing interest rates. See also Note 26.

17.Convertible Loan Notes

Included in Current Liabilities are Convertible Loan Notes issued in the prior year with a nominal value of £nil (2020:£330,000). The Convertible Loan Notes were issued on 11 February 2020 at an issue price of 6 pence per loan note and a redemption date of 31 March 2021. The loan notes carried interest at 7% per annum payable half yearly, on 30 September 2020 and 31 March 2021, and the principal element of the loan, but not any interest element, was redeemed in full on 31 March 2021 into ordinary shares at the request of the loan note holder.

The loan notes were converted at 31 March 2021 at 1 share per each 6 pence loan note, being a maximum of 5,500,000 shares converted. The conversion price was equivalent to the share price pertaining at the date that the loan notes were issued.

18. Deferred Taxation

No deferred tax asset has been recognized by the Group due to the uncertainty of generating sufficient future profits and tax liability against which to offset the tax losses. Although current tax rates in the USA differ to those in the UK, due to the uncertainty of timing of any available relief and the Corporation tax rates that would be applicable at that time in either the UK or the USA, where the Group's operations principally occur, the Directors have assumed that the applicable tax rate will be the same as the blended tax rate applicable in the UK and US of 20 per cent. Note 7 above sets out the estimated tax losses carried forward and the impact of the deferred tax asset not accounted for.

19. Share Capital

	2021 £	2020 £
Allotted called up and fully paid		
202,070,034 ordinary 1p shares (2020: 172,920,034 ordinary 1p shares)	2,020,700	1,729,200

The Company has only one class of share. All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

	Number	Par value of shares issued £
At 31 March 2020	172,920,034	1,729,200
3 April 2020 Issue of shares at 8.5p per share	12,900,000	129,000
June 2020 Issue of shares at 4p per share	8,750,000	87,500
28 October 2020 Issue shares upon exercise of warrants at 10p per share	1,000,000	10,000
25 March 2021 Issue shares upon exercise of warrants at 12p per share	1,000,000	10,000
31 March 2021 Issue of shares upon exercise of convertible loan at 6p per share	5,500,000	55,000
Total issued in the period	29,150,000	291,500
Number of shares in issue at 31 March 2021	202,070,034	2,020,700

19. Share Capital continued

At 31 March 2021 there were options outstanding over 7,155,000 unissued ordinary shares (2020: 7,405,000). Details of the options outstanding are as follows:

Issued	Exercisable from	Exercisable until	Number Outstanding	Exercise price (p)
12 October 2016	Any time until	11 October 2026	250,000	27.75
8 October 2019	8 October 2021	8 October 2029	5,840,000	10.00
8 October 2019	8 October 2022	8 October 2029	65,000	10.00
8 October 2019	Any time until	8 October 2029	1,000,000	10.00
Total			7,155,000	

In the current year, 4,225,000 of the 8 October 2019 options have lapsed without being exercised on departure of the relevant staff members. On 8 October 2020, 5,775,000 options were granted to T. Taylor and A. Russo.

The Directors held the following options and warrants at the beginning and end of the period:

Director	At 31 March 2020	Granted in the period	Exercised in the period	Lapsed in the period	At 31 March 2021	Exercise price – pence
N G S Tulloch	2,000,000	—	—	(2,000,000)	—	10p
T Taylor	—	2,887,500	—	—	2,887,500	10p
A Russo	—	2,887,500	—	—	2,887,500	10p
Total	2,000,000	5,775,000	—	(2,000,000)	5,775,000	

The options held by N G S Tulloch were exercisable between 8 October 2021 and 8 October 2029. Those options were relinquished in the current year upon Mr. Tulloch resigning from the Board of Directors.

The options held by T. Taylor and A. Russo are exercisable until 8 October 2029.

The market price of the shares at the year end was 83.50p per share.

During the year, the minimum and maximum prices were 4.13p and 104.53p per share respectively.

Share Base compensation: In April 2020, issued shares of 12,900,000 shares were vested to both T. Taylor and A. Russo at 8.5p in which the shares were moved from the equity reserve to share premium and share capital (see Note 20).

In October 2020, T. Taylor and A. Russo were granted options of 5,775,000 shares which vest over three years from the date of grant in October 2019 subject to continued employment and performance obligations. At 31 March 2021, the Group recorded £1,410,268 in share based compensation for the granted options.

20. Share Premium Account

	2021 £
At 31 March 2020	3,020,616
3 April 2020 Issue of shares at 8.5p per share	967,500
2 June 2020 Issue of shares at 4p per share	262,500
28 October 2020 Issue of shares upon exercise of warrants at 10p per share	90,000
25 March 2021 Issue of shares upon exercise of warrants at 12p per share	110,000
31 March 2021 Issue of shares upon exercise of convertible loan at 6p per share	275,000
	1,705,000
Less: costs relating to share issues	(27,175)
Increase in the year	1,677,825
At 31 March 2021	4,698,441

21. Equity-settled Share-based Payments Reserve

	2021 £	2020 £ (Restated)
At 31 March 2020	54,171	793,128
On options and warrants granted in the year	1,410,268	40,825
Released on exercise of warrants during the year	—	(531,957)
Released on lapsing of warrants during the year	(32,753)	(247,825)
At 31 March 2021	1,431,686	54,171

The details of the exercise price and exercise period of options outstanding at the year-end are given in Note 19 above.

21. Equity-settled Share-based Payments Reserve continued

Options and Warrants	2021 Number	2021 Weighted average exercise price – pence	2020 Number	2020 Weighted average exercise price – pence
Outstanding at the beginning of the period	6,225,000	10.71p	29,250,000	6.32p
Granted during the period	6,775,000	10.30p	12,155,000	9.38p
Lapsed during the period	(3,875,000)	10.00p	(5,100,000)	10.71p
Exercised during the period	(2,000,000)	11.00p	(30,050,000)	5.75p
Outstanding at the period end	7,155,000	10.90p	6,255,000	10.71p
Exercisable at the period end	250,000	27.75p	250,000	27.75p

The warrants were exercised on 25 March 2021 when the share price was 88.00p. The options were granted on 28 October 2020 when the share price was 41.75p.

The options and warrants outstanding at the period end have a weighted average remaining contractual life of 8.8 years. The exercise price of the options and warrants outstanding at the period end range from 10p to 27.75p per share. Full details of the exercise price and potential exercise dates are given in Note 19 above.

The fair value of 5,775,000 options granted on 28 October 2020 were calculated using the Monte Carlo pricing model. The key inputs into the Monte Carlo pricing model were:

Share price at date of issue of options	41.8p
Exercise price	10p
Hurdle 1	14p
Hurdle 2	18p
Historical volatility	97.55%
Risk free rate	1.87%
Expected dividend yield	Nil

At 31 March 2021, the Group recorded 1,410,268 in share based compensation for the 5,775,000 granted options.

22. Shares to be Issued Reserve

	2021 £	2020 £ (Restated)
At 31 March 2020	1,096,500	—
Shares to be issued in a subsequent year	—	1,096,500
Released on issuance of shares	(1,096,500)	—
At 31 March 2021	—	1,096,500

As noted in Note 28 below, shares were to be issued in April 2020 in the amount of 1,096,000 to the directors and were recorded as compensation expense in the year ended 31 March 2020 based on the compensation agreement in place during the year ended 31 March 2020.

23. Capital Commitments

There were no capital commitments at 31 March 2020 or 31 March 2021.

24. Loans

On 10 June 2020, the Group entered into a BBLS managed by the British Business Bank on benefit of and with the financial backing of the Secretary of State for Business, Energy and Industrial Strategy. The BBLS loan of £50,000 carries an interest of 2.50% rate per annum with repayment over 60 months beginning July 2021.

On 22 April 2020, Highlands Natural Resources Corporation entered into a PPP loan with the SBA for £154,078 with an interest of 1.00% rate per annum with principal and accrued interest due and payable on 22 April 2022. At 31 March 2021, the Group received partial forgiveness of the SBA loan with an ending balance of £30,424. On 20 April 2020, Zoetic Corporation entered into a SBA loan of £93,100 with an interest of 1.00% rate per annum with principal and accrued interest due and payable on 20 April 2022. At 31 March 2021, the Group received full forgiveness of the SBA loan.

25. Provisions

On 9 March 2021, the Group entered into a financing agreement with LDA Capital Limited with a termination clause of £1,200,000 to terminate the agreement. On 4 May 2021, the Group announce the termination of the financing agreement with LDA Capital Limited and entered into a settlement agreement to pay LDA Capital £1,200,000 to terminate the financing agreement. As of 31 March 2021, the Group accrued £1,200,000 to the settlement and termination of the financing agreement with LDA Capital Limited with the charge recorded to other expense. On 4 May 2021, the Group announced that it has raised £6,000,000 (before expenses) through an oversubscribed subscription for 10,000,000 new ordinary shares of 1 pence each ("Ordinary Shares") at a price of 60 pence per Ordinary Share (the "New Shares") from a number of new and existing shareholders (the "Subscription"). The net proceeds of the Subscription will be used to terminate the financing agreement with LDA Capital, see Note 29 for additional information regarding our events after the reporting period. On 19 May 2021, the Group paid the termination clause of £1,200,000 to LDA Capital Limited.

26. Financial Instruments and Risk Management

The Group's financial instruments comprise primarily cash and various items such as trade debtors and trade

creditors which arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the Group's operations. The Group does not utilize complex financial instruments or hedging mechanisms in respect of its non-sterling operations.

Financial assets by category

The categories of financial assets included in the balance sheet and the heading in which they are included are as follows:

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £ (Restated)
Non-current assets				
Loan to group undertaking	—	5,057,643	—	2,686,998
Current assets				
Trade and other receivables	136,093	42,116	243,603	19,795
Loan to third party	—	—	1,190,500	1,190,500
Cash and cash equivalents	333,176	181,462	349,006	277,083
Categorized as financial assets measured at amortized cost	469,269	5,281,221	1,783,109	4,174,376

The loan to group undertaking has no fixed repayment date and its future repayment will depend upon the financial performance of the subsidiary.

In prior year, included in trade and other receivables are performance bonds amounting to £nil in2020relating to the Group's drilling operations which are recoverable after more than 1 year.

All other amounts are short term and none are past due at the reporting date.

26. Equity Instruments and Risk Management continued

Financial liabilities by category

The categories of financial liabilities included in the balance sheet and the heading in which they are included are as follows:

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £ (Restated)
Current liabilities				
Bank borrowings	—	—	256,929	—
Trade and other payables	661,653	226,833	970,456	433,614
Loans	80,424	50,000	—	—
Categorized as financial assets measured at amortized cost	742,077	276,833	1,227,385	433,614

All amounts, excluding loans, are short term and payable in 0 to 9 months.

Credit risk

The maximum exposure to credit risk at the reporting date by class of financial asset was:

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £ (Restated)
Bank Balance and receivables	100,435	6,458	1,416,509	1,192,701

Capital management

The Group considers its capital to be equal to the sum of its total equity. The Group monitors its capital using a number of metrics including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities. The Group's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Group funds its capital requirements through the issue of new shares to investors.

Interest rate risk

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £ (Restated)
Bank Balance and receivables	333,176	181,462	349,006	277,083

26. Equity Instruments and Risk Management continued

The Group uses liquid resources to meet the cost of future development activities. Consequently, it seeks to minimize risk in the holding of its bank deposits. The Group is not financially dependent on the small rate of interest income earned on these resources and therefore the risk of interest rate fluctuations is not significant to the business and the Directors have not performed a detailed sensitivity analysis. Nonetheless, the Directors take steps when possible and cost effective to secure rates of interest which generate a return for the Group by depositing sums which are not required to meet the immediate needs of the Group in interest-bearing deposits. Other balances are held in interest-bearing, instant access accounts. All deposits are placed with main clearing banks to restrict both credit risk and liquidity risk. The deposits are placed for the short term, between one and three months, to provide flexibility and access to the funds and to avoid locking into potentially unattractive interest rates.

Credit and liquidity risk

Credit risk is managed on a Group basis. Funds are deposited with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. The Group's liquid resources are invested having regard to the timing of payments to be made in the ordinary course of the Group's activities. All financial liabilities are payable in the short term (normally between 0 and 3 months) and the Group maintains adequate bank balances to meet those liabilities as they fall due.

Currency risk

The Group operates in a global market with income possibly arising in a number of different currencies, principally in Sterling or US Dollars. The majority of the operating costs are incurred in US Dollars with the rest predominantly in Sterling. The Group does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The exchange rate in US Dollars to Sterling was 1.375 and 1.245 as of 31 March 2021 and 2020, respectively.

Financial assets and liabilities denominated in US Dollars and translated into Sterling at the closing rate were:

	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £ (Restated)
Financial assets	245,691	—	295,731	—
Financial liabilities	(465,244)	—	(793,770)	—
Net financial (liabilities)/assets	(219,553)	—	(498,039)	—

The following table illustrates the sensitivity of the net result for the period and the reported financial assets of the Group in regards to the exchange rate for Sterling: US Dollar

27. Related Party Transactions

The Group owes Mr. Taylor and Mr. Russo £18,750 each resulting from the exercise and sale of their options in June 2019.

Trevor Taylor, co-CEO, owns Taylor Farm & Ranch LLC which leased property to the Company during the year in for the growth of the Group's hemp crop as well as allowed the use of various equipment on the property. During the year ended 3/31/2021, the Company made total lease payments to Taylor Farm & Ranch LLC of $24,000. In addition, the Company also paid for use of equipment and other small expenses throughout the year. As of 3/31/2020, the Company's total expenses paid to Taylor Farms & Ranch LLC was $48,600 (in US Dollars).

In the fourth quarter 2021, the Group has entered into a distribution agreement with Ox Distributing LLC, a brokerage firm specializing in ecommerce shipping in convenience stores, grocery stores and other retail chains in the United States. Ox Distributing LLC is owned by Eric Schrader, a related party to the Group. As of 31 March 2021, no sales transactions occurred between the Group and Ox Distributing LLC.

28. Prior year adjustment

The 2020 statement of comprehensive income, statement of financial position, statement of changes in equity and states of cashflows have been restated in respect of share compensation that was issued to the Directors on 3 April 2020. The linked expense of £1,096,500 in respect of this compensation should have been recognised in the financial statements for the year ended 31 March 2020 as it was probable at that time that the shares would be issued to the Directors. The share compensation was issued to the Directors in the current financial year and as such the linked Directors remuneration is included with Directors remuneration for the current period. No third balance sheet is presented as the error occurred solely in the prior period and effects that year only. Changes to the way wages and shares to be issued have been displayed in footnotes 5, 6, 19, 20 and 21 above.

	Group £	Company £
Loss per signed accounts 31 March 2020	(7,078,513)	(16,878,991)
Adjustment in respect of share based compensation	(1,096,500)	—
Restated loss for 31 March 2020	(8,175,013)	(16,878,991)

28. Prior Year Adjustment continued

	Signed accounts as of 31 March 2020	Adjustment	Restated as of 31 March 2020
Earnings per Share			
Basic and diluted EPS on continuing activities	(1.27p)	(.75p)	(2.02p)
Group Statement of financial position (extract)			
Shares to be issued reserve	54,171	1,096,500	1,150,671
(Loss)/Profit for the year	(7,078,513)	(1,096,500)	(8,175,013)
Company Statement of financial position (extract)			
Share based payment reserve	54,171	1,096,500	1,150,671
Loan to group undertaking	1,590,498	1,096,500	2,286,998

29. Events after the Reporting Period

The Group was informed on April 12, 2021 that John Story's interest in the voting rights of the Group had changed following the excise of the loan conversion announced on March 31, 2021. John Story's interest is a combination of ordinary shares of 1 pence each ("Ordinary Shares") and a financial instrument (as defined in the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority). As a result of this transaction, John Story had 8.86% of voting rights attached to shares and 4.75% of voting rights through financial instruments for a total of 13.62%.

On May 4, 2021, the Company announced that it has raised £6,000,000 (before expenses) through an oversubscribed subscription for 10,000,000 new ordinary shares of 1 pence each (“Ordinary Shares”) at a price of 60 pence per Ordinary Share (the “New Shares”) from a number of new and existing shareholders (the “Subscription”).

The net proceeds of the Subscription will be used to terminate the financing agreement with LDA Capital and to: (i) continue the US rollout of Chill products following the successful October 2020 launch; (ii) launch new product across the Group's core brands; and (iii) to relaunch the Group's product websites.

Subscribers for the New Shares will also be issued with warrants on Admission to subscribe for new Ordinary Shares at 120 pence per new Ordinary Share at any point in the three years from Admission (the "Warrants") at a ratio of one Warrant per one New Share subscribed for. As a result, a total of 10,000,000 Warrants are being issued by the Company to the subscribers. The Warrants will not be listed on any exchange.

On Admission, the Company will have 212,070,034 Ordinary Shares in issue, each with one voting right. There are no shares held in treasury. Therefore, the Company's total number of Ordinary Shares and voting rights will be 212,070,034.

Concurrent with the Subscription, the Company has agreed with LDA Capital Limited ("LDA Capital") the termination of the Financing Agreement announced (and as defined) on 9 March 2021. Pursuant to

29. Events After the Reporting Period continued

a settlement agreement dated 4 May 2021 (the "Settlement Agreement") the Company will pay LDA Capital £1,200,000 to terminate the Financing Agreement. The Company intends to make this payment shortly after Admission

On 5 May 2021, the Group entered into an office lease agreement between the Company and Bonsai Development LLC. The operating lease is a five year lease with an option to extend up to five years. The Group recorded a right of use lease asset and corresponding liability.

On 1 June 2021, the Group announced that it had issued 1,200,000 warrants to subscribe for new ordinary shares of 1 pence each at 60 pence per ordinary share. The warrants were issued by the Group to a consultant to the Group in consideration for services rendered and the warrants were not listed on any exchange.

On 22 June 2021, the Group entered into an agreement to purchase the domain name "Chill.com" and all intellectual property rights that it has accrued in connection with the domain name and its use, include any accrued rights of action.

30. Control

In the opinion of the Directors there is no single ultimate controlling party.

For Your Notes