Company Registration No. 12294271 (England and Wales)

CLARIFY PHARMA PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 NOVEMBER 2021

COMPANY INFORMATION

Directors	Mr Jonathan Franklin Bixby – Executive Chairman
	Mr Nicholas James Lyth – Finance Director
	Mr Patrick McBride - Independent Non-Executive Director
	Mr Jonathan William Hives – Independent Non-Executive Director
	Mr Michael Scott Edwards – Non-Executive Director
Company Secretary	Nicholas James Lyth
Company number	12294271
Registered office	9th Floor 16 Great Queen Street, London, England WC2B 5DG
Principal place of business / operations	9th Floor 16 Great Queen Street, London, England WC2B 5DG
Independent Auditors	Kreston Reeves LLP 168 Shoreditch High Street, London E1 6RA
Broker	First Sentinel Corporate Finance Limited 70 Charlotte St, London W1T 4QQ
Corporate Advisor	First Sentinel Corporate Finance Limited 70 Charlotte St, London W1T 4QQ

Registrars	Computer Share Investor Services Plc 120 London Wall, London, EC2Y 5ET
Legal Advisors	Fladgate LLP 16 Great Queen Street, London, England WC2B 5DG
Website	www.clarifypharma.com

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The directors present their strategic report for the year ended 30 November 2021.

Principal activity

The principal activity of the Company in the period was the investment into companies specialising in psychedelic medicines.

Review of business

The results show a loss of £1.2m during the period with total Net Assets of £2.5m, of which £1.5m was in the form of Cash.

The Company's Ordinary Shares were admitted to trading on the Access segment of Aquis Stock Exchange Growth Market (AQSE) in London, UK on 11 June 2021, raising £1.96m

During the period the Company made one transaction, investing USD700,000 to acquire a 0.26% stake in Beckley Psytech Ltd.

Environmental disclosures

The Directors take environmental matters into deep consideration as part of their decision-making process and strive to be a responsible member of the wider community, minimising the Company's impact on the environment wherever possible.

Principal risks and uncertainties

The Company has exposure to the following risks and uncertainties:

Early-stage companies present an opportunity for potentially high returns but at the same time these companies are pre revenue and their business models may not prove to be as successful as hoped.

Financial risk

Financial risk arises through the Company's holdings in financial assets and financial liabilities. The key financial risk is that proceeds from financial assets are insufficient to fund obligations arising from distributions to its shareholders as they fall due. The most important components of financial risk are interest rate risk, foreign currency risk and liquidity risk.

Risk amounts are monitored to ensure these are maintained within permissible ranges based on the Company's economic capital model and are reported to the Board of Directors.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is related to the underlying valuation of equity investments.

Management does not believe the Company is any more exposed to financial statement risk factors than others in the industry and has a system of internal controls and procedures that are designed to mitigate such risks.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's policy and approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the reputation of the Company.

Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Company is exposed to a material foreign currency risk as its investment is denominated in USD.

Economic risk

On 23 June 2016, the United Kingdom held a referendum in which voters approved an exit from the European Union, commonly referred to as "Brexit".

The United Kingdom left the European Union on 31 January 2020. In 2020 the EU and the UK reached an agreement on their new partnership. It sets out the rules that apply between the EU and the UK as of 1 January 2021. The withdrawal of the UK from the EU on 31 January 2020 continues to generate a level of uncertainty in the UK financial services sector.

Covid-19 pandemic

On 31 December 2019, the World Health Organisation ("WHO") was informed that a limited number of cases of pneumonia, of an unknown cause, were detected in Wuhan, Hubei. On 7 January 2020, Chinese authorities identified a new type of coronavirus ("COVID-19") as the cause. The first cases of COVID-19 were confirmed in Hong Kong on 23 January 2020.

Since 31 December 2019, the development and spread of the COVID-19 pandemic has resulted in the occurrence of a multitude of associated events. Among these are the identification of the virus, its spread in terms of number of infected and geographical prevalence, action taken by government and non-governmental organisations, actions taken by private entities, and the resulting economic effects of these.

Financial risk management objectives and policies

- Credit risk,
- Interest rate risk,
- Liquidity risk.

This note presents information about the Company's exposure to each of the above risks, its objectives, policy and procedures for measuring and managing risks. Quantitative information is included in other notes to the financial statements.

The management of the Company ensures the definition and control of the risk management policy. The objective of this policy is to identify and analyse the risks facing the Company, to define the limits within which the risks must fall, to manage the risks and to ensure compliance with the defined limits. The risk management policy and systems are regularly reviewed to take into account changes in market conditions and activities of the Company. The Company, through its management rules, aims to develop a rigorous and constructive environment in which employees have a good understanding of their roles and obligations.

Credit Risk

Credit risk represents the risk of financial loss for the Company in the event that a client or counterparty to a financial instrument breaches its contractual obligations.

The carrying amount of financial assets represents the maximum exposure to credit risk.

Trade receivables

Whist there are zero trade receivables at present it is envisaged that this may change in the future depending on the nature of the Group's commercial relationships with its customers

Cash and cash equivalents

The Company is not exposed to interest rate risk as it has no debt

Liquidity risk

The Company makes sure it has sufficient funds to meet its liabilities by (i) preserving sufficient cash,(ii) maintaining high free cash flow and (iii) having a corporate treasury department tasked with pooling surplus cash and cash needs.

Section 172(1) Statement

This statement is intended by the Board of Directors to set out how they have approached and met their responsibilities under s172(1)(a) to (f) of the Companies Act 2006 in the year ending 30 November 2021

Stakeholders of the Company include employees, shareholders, customers, suppliers, creditors of the business and the community in which it operates

The Directors, both collectively and individually, consider that they have acted in good faith to promote the success of the Company for the benefit of its Stakeholders as a whole (having regard to the matters set out in s172 of the Act) in the decisions taken during the period. In particular:

To ensure that the Board take account of the likely consequences of their decisions in the long term, they receive regular and timely information on all the key areas of the business including financial performance, operational matters, health and safety, environmental reports, risks and opportunities – all supported by Key Performance Indicators (KPIs). The Company’s performance and progress is also reviewed regularly at Board meetings.

The Company’s employees are fundamental to the success of the business. The directors understand that it is critical to engage with and understand their views and to ensure that all employees’ interests are considered. To strengthen employee engagement, the Directors promote and encourage all employees to raise any concerns or suggestions with senior management without hesitation.

The Directors take environmental matters into deep consideration as part of their decision-making process and strive to be a responsible member of the wider community, minimising the Company’s impact on the environment wherever possible.

The Directors' intentions are to behave responsibly towards all stakeholders and treat them fairly and equally, so that they all benefit from the long-term success of the Company.

The Directors have overall responsibility for determining the Company's purpose, values and strategy and for ensuring high standards of governance. The primary aim of the Directors is to promote the long-term sustainable success of the Company, generating value for stakeholders and contributing to the wider society. In the future, the Board will continue to review and challenge how the Company can improve its engagement with its stakeholders and employees.

ON BEHALF OF THE BOARD:

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N J Lyth - Director

Date: 3 May 2022

Jonathan Bixby – Executive Chairman

Jonathan Bixby has significant experience in the health care, gaming and fintech sectors, and in particular was a founder and major investor in Argo Blockchain (ARB), Guild Esports (GILD) and Cellular Goods (CBX) – all listed on the London Stock Exchange. He is also the Executive Chairman of NFT Investments (NFT) admitted to trading AQUIS and he is on the board of Leaf Mobile (LEAF). Prior to this Jonathan was a founder, board member and investor in Koho Financial and Blue Mesa Health (Sold to Virgin Pulse). Previous to this, Jonathan was the CEO of Strangeloop Networks, a networking company which focused on providing hardware appliances in data centres to speed up web based properties. Strangeloop was sold to Radware (RDWR) in 2013. Jonathan was a founder and Chair of the Board of Ironpoint Technology which provided technology based content management services. Ironpoint was sold to Active Network (ACTV) in 2006.

Jonathan is a well known investor and advisor to numerous other health care, networking and software companies including Alavida, TSO Logic, Rubikloud, Neurio and Layerboom.

Nicholas James Lyth – Executive Finance Director

Nicholas Lyth is a UK based, experienced board director and qualified accountant with over five years' experience advising a number of quoted companies including AIM listed companies Univision Engineering Ltd, Altona Energy plc and Taihua plc. Prior to his recent public company experience, Mr. Lyth was Group Finance and Purchasing Director of Belle Group, a manufacturer of engineering equipment operating across Europe, the US and Asia. He was also Head of Finance at Fothergill Group, a UK manufacturer of technical industrial fabrics, between 1996 and 2003. In his early career, Nick was a management accountant at Courtaulds plc and Rotunda plc.

Michael Edwards – Non-Executive Director

Mike Edwards has started and invested in technology companies for over 20 years. Mike invests in smart people with big ideas, and thrives on helping other entrepreneurs turn a napkin sketch into a prosperous business. He has invested in more than 40 technology start-ups including Punch'd, which was sold to Google, Summify, which was acquired by Twitter, Wander, which was acquired by Yahoo and PasswordBox, which was acquired by Intel. Mike has co-founded several companies including AreaConnect, which was sold to Marchex and Wylie Interactive, which was acquired by Zynga.

Mike is actively involved in growing and supporting the cryptocurrency start-up community and connecting local entrepreneurs with the right investors, mentors and influencers in Silicon Valley, New York, Europe and Asia. Mike co-founded Growlab, a seed stage accelerator focussing on consumer facing digital product, which later merged with Extreme Startups to create Canada's Highline accelerator, and co-founded and is a board member of Creative Labs, a venture capital backed start-up foundry that builds consumer technology companies by leveraging the Creative Artist Agency's access to talent and audience.

Mike was the co-founder and president of Argo Blockchain plc, a company established to provide cryptocurrency mining services and which was admitted to the Official List (by way of a Standard Listing) and to trading on the London Stock Exchange's Main Market for listed securities in August 2018 with a market capitalisation of £48m. Argo had a market capitalisation of £1bn in February 2021. Argo was the first cryptocurrency company to be admitted to the Main Market.

Mike was also the co-founder of: Guild Esports plc, the first esports business to be admitted to trading on the Main Market; and Cellular Goods plc, the first producer of biosynthetic cannabinoids to join the London Stock Exchange.

Jonathan Hives – Independent Non-Executive Director

Jonathan's passion for financial services dates back to his University days, where he studied B.A. (Hons) Finance and Investment Management. At the age of 23 he left the UK to begin his journey in International Financial Planning, and having lived and worked in three continents, he has first-hand experience when it comes to cross border financial planning. Over the last 12 years he has built up invaluable experience by advising high net worth individuals and family estates, practising all areas of wealth and succession planning. Jonathan prides himself on the service he provides, which is highly personalised, proactive and bespoke to his client's objectives. He is an active member of the Chartered Insurance Institute, where he holds the Diploma in Financial Planning.

In addition, he holds Certificates in i) Discretionary Investment Management, ii) Financial Services and iii) Life and Pensions. He is also qualified as an Investment Adviser in the United States (Series 65) from his time working in New York.

Patrick McBride – Non-Executive Director

Patrick McBride was a co-founder of Eight Capital and is well known for building Canada's psychedelic public capital markets. He has raised capital or advised MindMed, Numinus, PsyBio, Cybin Corp, Harvest Health, Willow Biosciences and Charlotte's Web Holdings amongst others

The directors present their report and financial statements for the period ended 30 November 2021.

Principal activities

Clarify is a newly established company incorporated on 1 November 2019. The Company is actively pursuing investment opportunities within the biotech industry.

The board is seeking to develop a business concentrating on high potential and fast growing biotech and life science companies that perform research or produce neuro-pharmaceutical drug development platforms that advance medicines based on all psychedelic substances through rigorous science and clinical trials.

The Company leverages the Board's expertise, and experience in multiple sectors, as well as their networks in psychedelic medicine to drive value creation and to establish the business. The Board has a proven capability in transaction origination and strategic business plan execution to achieve significant growth.

The Company successfully had its ordinary share capital admitted to trading on the Access Segment of the Aquis Stock Exchange Growth Market on 11 June 2021.

Results

The Company recorded a loss for the period ended 30 November 2021 before taxation of £1,231,862.

Directors

The following directors have held office during the period and to the date of these financial statements:

Jonathan Bixby*	(appointed 1 November 2019)
Nicholas Lyth	(appointed 4 May 2021)
Patrick McBride	(appointed 11 June 2021)
Jonathan Hives	(appointed 10 March 2021)
Michael Edwards	(appointed 5 Feb 2021)
Timothy Le Druillenec	(appointed 1 November 2019)
	(resigned 4 May 2021)

**Jonathan Bixby resigned as a director on 5 February 2021 before being reappointed on 18 February 2021*

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Directors' Report from page 14.

Financial Risk & Management

The overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies can be referenced in Note 17.

Share Capital

Details of the Company's issued share capital, together with details of the movements since incorporation, are shown in Note 15. The Company has one class of Ordinary Share, and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

Substantial Shareholdings

At 5 April 2022, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company:

	Number of Shares	Percentage Holding
Barnard Nominees Limited	75,475,000	25.40
Vidacos Nominees Limited	32,700,000	11.00
Lynchwood Nominees Limited	27,500,000	9.25
JIM Nominees Limited	26,500,000	8.92
The Bank of New York (Nominees) Limited	18,400,000	6.19

Corporate Governance Statement

The Directors recognise the importance of sound corporate governance and taking effect from admission on 10 June 2021 have taken action to take account of the requirements of the QCA Code to the extent that they consider it appropriate having regard to the Company's size, board structure, stage of development and resources.

The Board, which will meet not less than once per month, will ensure that procedures, resources and controls are in place to ensure that AQSE Growth Market Access Rulebook compliance by the Company is operating effectively at all times and that the directors are communicating effectively with the Company's AQSE Corporate Adviser regarding the Company's ongoing compliance with the AQSE Growth Market Access Rulebook and in relation to all announcements and notifications and potential transactions.

In addition, the board has set up a board of advisors which will meet whenever the board proposes to make an investment. the board of advisors will agree recommendations in relation to each proposed investment and submit them to the board. in order to implement its business strategy, as at the date of this report, the Company has adopted the corporate governance structure which includes the implementation of the following committees:

i) **Audit Committee**

The Board has established an Audit Committee with formally delegated duties and responsibilities. The Audit Committee is chaired by Jonathan Hives and its other members are Michael Edwards and Nicholas Lyth. The Audit Committee will meet at least two times a year and will be responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Company's risk assessment and internal control processes.

ii) **Remuneration Committee**

The remuneration committee, which comprises Jonathan Hives and Jonathan Bixby, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company. The Remuneration Committee is chaired by Jonathan Hives.

iii) **Aquis Rule Compliance Committee**

The Aquis Rule Compliance Committee, which will comprise Jonathan Hives, Jonathan Bixby and Nicholas Lyth, will meet not less than four times a year. The Aquis Rule Compliance Committee is chaired by Nicholas Lyth.

The Company does not have a nomination committee as the Board does not consider it appropriate to establish such a committee at this stage of the Company's development. Decisions which would usually be taken by the nomination committee will be taken by the Board as a whole.

Board of Directors

The Board comprises two executive directors and three non-executive directors. the directors are ultimately responsible for managing the Company's business in accordance with its articles and assessing the appropriateness of its investing policy and strategy. The directors also have overall responsibility for the Company's activities, including its investment activities, and reviewing the performance of the Company's investments. The board comprises Jonathan Bixby, as Executive Chairman, Nicholas Lyth as Finance Director, and each of Michael Edwards, Jonathan Hives and Patrick McBride as Non-Executive Directors, as detailed in the Key Personnel Report on page 7.

As the Company develops the composition of the board will be reviewed to ensure it remains appropriate for the Company, such that the constitution of the board will reflect the profile of the Company and prevailing corporate governance standards and, in particular, with a view to ensuring that there are independent directors (using the definition set out in the QCA Code).

the directors believe the board is comprised of a knowledgeable and experienced group of professionals with relevant experience and capability to deliver the Company's strategy.

External Auditor

Kreston Reeves were appointed auditors to the Company and have expressed their willingness to remain in office. The Audit Committee 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.

As part of the decision to recommend the appointment of the external auditor, the board considers 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. 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.

Directors' Remuneration

Remuneration Policies (unaudited)

The current directors' remuneration polices are set out in individual services contracts between the Company and the respective director. The directors are not required to comply with any shareholding qualifications.

Service contracts (unaudited)

The Directors have entered into service agreements with the Company and will continue to be employed until terminated by either party and observing the correct notice period however the Company has grounds to terminate the contract immediately in certain circumstances. All directors fees are to be reviewed on the first anniversary of the admission to trading on the AQSE stock exchange.

Each director is paid at a rate per annum as follows:

Toro Consulting Ltd on behalf of Jonathan Bixby	£96,000 per annum
Nicholas Lyth	£60,000 per annum*
Marallo Holdings on behalf of Michael Edwards	£60,000 per annum
Jonathan Hives	£36,000 per annum
Patrick McBride	£60,000 per annum

**Part of this remuneration is paid to Dark Peak Services ltd. A company run and controlled by Nicholas Lyth. Figure is VAT exclusive*

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 Note 16 and further referenced in the Directors' report.

Remuneration paid to the directors' during the year ended 30 November 2021 was:

	Directors' Fees	Total
	£	£
Michael Edwards[1]	39,350	39,350
Patrick McBride	28,167	28,167
Jonathan Bixby[1,2]	95,274	95,274
Dark Peak Services Ltd[3]	39,000	39,000
Briarmount Ltd[4]	19,000	19,000
Jonathan Hives	18,000	18,000
	238,791	**238,791**

[1] £12,500 was paid to Haymarket Investment Inc of which Jonathan Bixby and Michael Edwards are dual beneficiaries. These payments have been split evenly and reflected in the individual directors balances above.
[2] Payments made to Toro Consulting Ltd a company owned and controlled by Jonathan Bixby.
[3] Dark Peak Services is a company run and controlled by Nicholas Lyth
[4] Briarmount Ltd is a company owned and controlled by Timothy Le Druillenec

Payments for loss of office (audited)

There were no payments for loss of office.

Bonus and incentive plans (audited)

There were no bonus and incentive plans in place during the period.

Political Donations

The Company did not make any donations to political parties in the period.

Percentage change in the remuneration of the Chief Executive (unaudited)

At period end the Company did not have a Chief Executive and as such, no CEO disclosure has been presented.

Directors' interests in shares (audited)

The Company has no director shareholder requirements.

The beneficial interest of the directors in the ordinary share capital of the Company at 5 April 2022 were:

	Ordinary Shares	**Percentage of issued share capital 5 April 2022 %**
Marallo Holdings Inc[1]	68,000,000	22.88
Timothy Le Druillenec	2,000,000	0.67
Nicholas Lyth	500,000	0.17
2171117 Ontario Inc.[2]	20,000,000	6.73
	90,500,000	**30.45**

[1] Marallo Holdings is a company controlled by Michael Edwards, a director of the company and his wife
[2] 2171117 is a company owned and controlled by Patrick McBride

The directors held the following warrants at the end of the period:

Director	Granted during the period	As at 5 April 2022	Exercise Price	Earliest date of exercise	Latest date of exercise
Dark Peak Services[1]	5,000,000	5,000,000	£0.01	10 June 2022	10 June 2024
Marallo Holdings Inc[2]	5,000,000	5,000,000	£0.01	18 Mar 2022	18 Mar 2024
2171117 Ontario Inc.[3]	5,000,000	5,000,000	£0.01	10 June 2022	10 June 2024
2171117 Ontario Inc.[3]	5,000,000	5,000,000	£0.025	10 June 2022	10 June 2024
Toro Consulting Ltd[4]	10,000,000	10,000,000	£0.01	18 Mar 2022	18 Mar 2024
Timothy Le Druillenec	2,000,000	2,000,000	£0.01	18 Mar 2022	18 Mar 2024
	32,000,000	**32,000,000**			

[1] Dark Peak Services is a company run and controlled by Nicholas Lyth
[2] Marallo Holdings is a company controlled by Michael Edwards, a director of the company and his wife
[3] 2171117 is a company owned and controlled by Patrick McBride
[4] Toro Consulting Ltd is a company owned and controlled by Jonathan Bixby.

Impact of operations on the community and environment

The Company currently has no current operations that impact upon the community or environment, however upon any potential investment will ensure it reviews its Health, Safety & Environment ('HSE') and other policies and works responsibly with suppliers, and performance is monitored on an on-going basis.

Maintain a reputation for high standards of business conduct

The corporate governance section of this annual report at pages 10 sets out the board and committee structures and extensive board and committee meetings held during the year, together with the experience of executive management and the board and the Company's policies and procedures.

Act fairly between members of the Company

The board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity to pro-actively engage with all shareholders (via regular news reporting-rns) and engage with any specific shareholders in response to particular queries they may have from time to time. The board considers that its key decisions during the year have impacted equally on all members of the Company

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with International Accounting Standards in conformity with the requirements of Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit and loss of the company for that period.

In preparing the financial statements the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Ensure statements comply with International Accounting Standards in conformity with the Companies Act 2006 for the period; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The financial statements are published on the Company's website (https://www.clarifypharma.com/). The work carried out by the auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on 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.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 15 and 16 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 pages 10. 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

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

Auditor Information

The directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is 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 Company's auditor is aware of that information

Events after the reporting period

There are no significant events of the Company subsequent to year end.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have considered the cash at bank figure at the end of April 2022 (approx. £1.3 million) and compared this with the average cash expenditures on a monthly basis. On the basis of this analysis the Directors are extremely confident that the Company has sufficient reserves to meet its liabilities for a period of at least 24 months. Further details are given in Note 2.4 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

On behalf of the board

Nicholas Lyth

Finance Director

3 May 2022

Opinion

We have audited the financial statements of Clarify Pharma PLC for the year ended 30 November 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom 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 company's affairs as at 30 November 2021 and of the company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs adopted by the United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 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.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We performed a full scope audit on the main components of the business representing a large proportion the company's net assets.

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. This is not a complete list of all risks identified by our audit.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment of investments The company has acquired a significant investment during the financial period. Given the volatile and uncertain markets that surround pharmaceuticals, there was the risk that this investment could require significant impairment after a lack of success during their researching activities. In addition, as the economy continues its recovery from COVID-19 many companies have struggled to adapt to changes which in the market place.	We reviewed the supporting documentation associated with the investment to ensure an accurate costing was originally included within the financial statements. The investment has been verified against available present and future financial data as well as any press releases etc that may present an indication of impairment both as at the year end and going forward. The impairment review is highly judgemental and required the assessment of assumptions used, including around the future success of the researching activities. **Based on the above procedures we consider this risk to be materially mitigated**

Our application of materiality

Overall Materiality	£50,000
How we determined it	2% of gross assets
Rationale for benchmark	The company's principal activity is that of the holding of investments. Therefore, a benchmark for materiality of the gross assets is considered to be the most appropriate basis for materiality.

We reported all audit differences found in excess of our triviality threshold of £1,500 to the directors and the management board.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 16), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of intangible assets and investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and

- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

Anne Dwyer BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date:

CLARIFY PHARMA PLC -– COMPANY NUMBER 12294271
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 NOVEMBER 2021

	Note	Period ending 30 November 2021 £	Period ending 30 November 2020 £
Continuing Operations			
Gross Profit		-	-
Administrative expenses	**4**	(1,255,552)	-
Other operating income		-	-
Operating loss		**(1,255,552)**	-
Finance Income	**5**	59	-
Loss before taxation		**(1,255,493)**	-
Taxation on loss of ordinary activities	**8**	-	-
Loss for the year from continuing operations		**(1,255,493)**	-
Other comprehensive income	**9**	23,631	-
Total comprehensive loss for the year attributable to shareholders from continuing operations		**(1,231,862)**	-
Basic & dilutive earnings per share - pence	**10**	(0.56)	0.00

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 28 to 42 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2021

	Note	As at 30 November 2021 £	As at 30 November 2020 £
NON-CURRENT ASSETS			
Investments	**13**	528,375	-
TOTAL NON-CURRENT ASSETS		**528,375**	**-**
CURRENT ASSETS			
Cash and cash equivalents	**11**	1,523,665	-
Trade and other receivables	**12**	508,000	1
TOTAL CURRENT ASSETS		2,031,665	1
TOTAL ASSETS		**2,560,040**	**1**
EQUITY			
Share capital	**15**	297,195	1
Share premium account	**15**	2,859,005	-
Share based payment reserve	**16**	575,024	-
Retained Earnings		(1,231,862)	-
TOTAL EQUITY		**2,499,362**	**1**
CURRENT LIABILITIES			
Trade and other payables	**14**	60,678	-
TOTAL CURRENT LIABILITIES		**60,678**	**-**
TOTAL LIABILITIES		**60,678**	**-**
TOTAL EQUITY AND LIABILITIES		**2,560,040**	**1**

The accompanying notes on pages 28 to 42 form an integral part of these financial statements.

The financial statements were approved by the board on 3 May 2022 by:

……………………………………………………

Nicholas Lyth

CLARIFY PHARMA PLC - COMPANY NUMBER 12294271
STATEMENT OF CHANGES IN EQUITY
AS AT 30 NOVEMBER 2021

	Share Capital £	Share Premium £	Share based payment reserve £	Retained Earnings £	Total Equity £
Loss for period	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income for year	**-**	**-**	**-**	**-**	**-**
Transactions with owners in own capacity					
Ordinary shares issued on incorporation	1	-	-	-	1
Transactions with owners in own capacity	1	-	-	-	1
Balance at 30 November 2020	**1**	**-**	**-**	**-**	**1**
Loss for period	-	-	-	(1,255,493)	(1,255,493)
Other comprehensive income	-	-	-	23,631	23,631
Total comprehensive income for year	**-**	**-**	**-**	**(1,231,862)**	**(1,231,862)**
Transactions with owners in own capacity					
Ordinary shares issued in the period	297,194	2,951,055	-	-	3,248,249
Broker warrants issued	-	60,930	575,024	-	635,954
Share Issue Costs	-	(152,980)	-	-	(152,980)
Transactions with owners in own capacity	297,194	2,859,005	575,024	-	3,731,223
Balance at 30 November 2021	**297,195**	**2,859,005**	**575,024**	**(1,231,862)**	**2,499,362**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 NOVEMBER 2021

	Note	12 months ending 30 November 2021 £	12 months ending 30 November 2020 £
Cash flow from operating activities			
Loss for the financial year		(1,231,862)	-
Adjustments for:			
Share based payment reserves		635,954	-
Foreign exchange movements	**9**	(23,631)	-
Revaluation adjustments to fair value		-	-
Changes in working capital:			-
Decrease / (increase) in trade and other receivables	**12**	(507,999)	(1)
Increase / (decrease) in trade and other payables	**14**	60,678	-
Net cash outflow from operating activities		**(1,066,860)**	(1)
Cash flows from investing activities			
Investments in unlisted companies		(504,744)	-
Net cash flow from investing activities		**(504,744)**	**-**
Cash flows from financing activities			
Proceeds from issue of shares	**15**	3,248,249	1
Share issue costs	**15**	(152,980)	-
Net cash flow from financing activities		**3,095,269**	**1**
Net increase in cash and cash equivalents		**1,523,665**	**-**
Cash and cash equivalents at beginning of the period		-	-
Cash and cash equivalents at end of the period	**11**	**1,523,665**	**-**

The accompanying notes on pages 28 to 42 form an integral part of these financial statements.

1. General Information

Clarify Pharma Plc ("Clarify" or "the Company") was incorporated on 1 November 2019 in England and Wales and remains domiciled there with Registered Number 12294271 under the Companies Act 2006. The company was originally incorporated under the name Mena Esports Plc and subsequently changed its name to Clarify Pharma Plc on 4 February 2021.

The address of its registered office is 9th Floor 16, Great Queen Street, London, England, WC2B5DG.

The principal activity of the company during the period under review was that of the incubation of and investment in companies that are developing therapeutic remedies using compounds with certain psychedelic properties.

The Company successfully listed on the Aquis Stock Exchange ("Aquis") on 11 June 2021.

2. Accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

2.1 Basis of preparation

The financial statements for the period ended 30 November 2021 have been prepared by Clarify Pharma Plc in accordance with UK-adopted International Accounting Standards ('IFRS').

The financial statements are presented in £ unless otherwise stated, which is the Company's functional and presentational currency.

2.2 New standards, amendments and interpretations

Clarify have adopted all of the new and amended standards and interpretations issued by the International Accounting Standards Board that are relevant to its operations and effective for accounting periods commencing on or after 1 November 2019.

Clarify is preparing its first financial information in accordance with IFRS. The Company has applied IFRS 1, First Time Adoption of IFRS, in its adoption of IFRS. Clarify's historic accounting policies do not differ from the policies used in the preparation of these financial statements and there has been no adjustments as a result of the transition

2.3 New standards and interpretations not yet adopted

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 have not yet been adopted by the UK):

- Amendments to IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (effective date not yet confirmed)*
- Amendments to IFRS 3: Business Combinations – Reference to Conceptual Framework (effective 1 January 2022)*
- Amendments to IAS 16: Property, Plant and Equipment (effective 1 January 2022)*
- Amendments to IAS 37: Provisions, Contingent Liabilities and Contingent Assets (effective 1 January 2022)*
- Annual Improvements to IFRS Standards 2018-2020 Cycle (effective 1 January 2022)*

- Amendments to IAS 8: Accounting Policies, Changes to Accounting Estimates and Errors (effective date not yet confirmed)*
- Amendments to IAS 12: Income Taxes – Deferred Tax arising from a Single Transaction (effective date not yet confirmed)* *subject to UK endorsement

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

The directors are evaluating the impact that these standards may have on the financial statements of Company.

2.4 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities as they fall due. As touched on in the Directors' Report at April 2022 the Company has approximately £1.3 million cash at bank. Analysing this against the monthly cash outflow of the Company leads the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, and demand deposits with banks and other financial institutions.

2.6 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 or lapse. See Note 2.10 for more detail.

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

2.7 Foreign currency translation

The financial statements are presented in Sterling which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.8 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

a) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss);

- those to be measured at amortised cost; and
- those to be measured subsequently at fair value through profit or loss.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

b) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

d) Impairment

The Company assesses, on a forward-looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.9 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 and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

2.10 Share based payments

The Company has made awards of warrants on its issued share capital to certain parties in return for services provided to the Company. The valuation of these warrants involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the options and interest rates. These assumptions have been integrated into the Black Scholes Option Pricing model in this instance to derive a value for any share-based payments. The Company has engaged an independent advisory firm to perform these valuations and the key assumptions can be viewed in more detail in note 16.

The expense charged to the Statement of Comprehensive Income during the year in relation to share based payments was £635,954.

2.11 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

- Share Based Payments

  The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

- Investments

  Investments are classified as listed or unlisted. The valuation of listed investments is determined with reference to published share prices. The valuation of unlisted investments is assessed by the directors at each reporting date using any available financial information or reports available to them at that time. The directors' assessment of these valuations is subjective and may therefore impact profit and loss and equity in future periods.

3. Segmental analysis

The Company manages its operations in one segment, being seeking a suitable investment specifically in the natural medicines sector. The results of this segment are regularly reviewed by the board as a basis for the allocation of resources, in conjunction with individual investment appraisals, and to assess its performance.

4. Operating Loss

Operating loss for the company is stated after charging:

	As at 30 November 2021	As at 30 November 2020
	£	£
Directors' fees	235,118	-
Professional fees (Accounting & legal)	363,383	-
Share based payments expense	635,954	-
Miscellaneous administrative expenses	21,097	-
	1,255,552	**-**

5. Finance Income

	As at 30 November 2021	As at 30 November 2020
	£	£
Interest income	59	-
	59	**-**

6. Employees

The only employees of the Company during the period ending 30 November 2021 were directors. See Directors' Report on page 14 for details of directors remuneration:

	November 2021	November 2020
Employees	6	2
	6	**2**

7. Auditor's Remuneration

	As at 30 November 2021 £	As at 30 November 2020 £
Fees Payable for the audit of Company's financial statements	18,000	-
	18,000	**-**

The period covers from incorporation to 30 November 2021 and includes accrued expenses relating to the 2021 audit.

8. Taxation

	As at 30 November 2021 £	As at 30 November 2020 £
The charge / (credit) for the year is made up as follows:		
Corporation taxation on the results for the year	-	-
Taxation charge / credit for the year	-	-
A reconciliation of the tax charge / (credit) appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss per accounts	(1,231,862)	-
Tax credit at the standard rate of corporation tax in the UK of 19%	(234,054)	-
Other tax adjustments	234,054	-
	-	-

The Company has total carried forward losses of £1,231,862. The taxed value of the unrecognised deferred tax asset is £307,966. This tax asset is calculated at the rate of 25% per advice below. No deferred tax assets in respect of tax losses have been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

On 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020. On 3 March 2021, the Chancellor announced that the corporation tax rate will be increasing to 25% from 1 April 2023.

9. Other comprehensive income

Items credited/(charged) to the other comprehensive income (”OCI”) line of the statement of comprehensive income relate to the impact of foreign exchange movements on the balance of assets and liabilities specifically investments. OCI for the period is stated below:

	As at 30 November 2021 £	As at 30 November 2020 £
Opening Balance	**-**	**-**
Foreign exchange impact	23,631	-
Closing Balance	**23,631**	**-**

10. Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the year by the weighted average number of ordinary shares in issue during the year.

	30 November 2021 £
Profit / (loss) attributable to shareholders of Clarify Pharma Plc	(1,231,862)
Weighted number of ordinary shares in issue	219,707,652
Basic & dilutive earnings per share from continuing operations - pence	(0.56)

There is no difference between the diluted loss per share and the basic loss per share presented. Share options and warrants could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

11. Cash and cash equivalents

	As at 30 November 2021 £	As at 30 November 2020 £
Cash at bank	1,523,665	-
	1,523,665	**-**

12. Trade and other receivables

	As at 30 November 2021	As at 30 November 2020
	£	£
Other debtors	508,000	-
	508,000	**-**

Other debtors balance consists of two separate amounts owed to the Company in relation to the issue of share capital. £8,000 owed by First Sentinel has been received subsequent to period end. The balance is owed by Tennyson Securities but has not been forthcoming due to administrative issues. Tennyson Securities is regulated by the Financial Conduct Authority ("FCA") and therefore the directors are confident that these funds will be recovered in the near future and do not need to be assessed for impairment.

13. Investments

	As at 30 November 2021	As at 30 November 2020
	£	£
Opening balance	-	-
Additions:		
Investment in Beckley Psytech Limited	504,744	-
Foreign exchange movements	23,631	
	528,375	**-**

On 17 August 2021 the Company made a $700,000 USD investment into Beckley Psytech Limited ("Beckley"), a private company dedicated to addressing neurological and psychiatric disorders through the novel application of psychedelic medicines. The investment will give the Company a 0.26% interest into Beckley.

14. Trade and other payables

	As at 30 November 2021	As at 30 November 2020
	£	£
Trade creditors	20,228	-
Accruals	39,647	-
Other payables	803	-
	60,678	**-**

15. Share capital and share premium

	Ordinary Shares	Share Capital	Share Premium	Total
	#	£	£	£
Issue of ordinary shares on incorporation[1]	1,000	1	-	1
Issue of ordinary shares [2]	100,000,000	100,000	-	100,000
Issue of ordinary shares [3]	96,275,000	96,275	866,475	962,750
Issue of ordinary shares [4]	20,000,000	20,000	180,000	200,000
Issue of ordinary shares [5]	2,500,000	2,500	22,500	25,000
Issue of ordinary shares [6]	78,420,000	78,420	1,882,080	1,960,500
Valuation of broker warrants[7]	-	-	60,930	60,930
Share issue costs	-	-	(152,980)	(152,980)
At 30 November 2021	**297,196,000**	**297,195**	**2,859,005**	**3,156,200**

[1]On incorporation on 1 November 2019, the Company issued 1,000 ordinary shares of £0.001 at their nominal value of £0.001.
[2] On 30 November 2020, the Company issued 100,000,000 ordinary shares at their nominal value of £0.001.
[3] On 11 March 2021, the Company issued 96,275,000 ordinary shares at a price of £0.01
[4] On 4 May 2021, the Company issued 20,000,000 ordinary shares at a price of £0.01
[5] On 10 May 2021, the Company issued 2,500,000 ordinary shares at a price of £0.01
[6] On admission to the growth segment of AQSE on 11 June 2021, 78,420,000 shares were issued at a price of £0.025.
[7]On 10 June 2021, 6,187,500 broker warrants were issued with an exercise price of £0.025 and have therefore been applied to the share premium account. See note 16 for more detail on warrants.

The share premium represents the difference between the nominal value of the shares issued and the actual amount subscribed less; the cost of issue of the shares, the value of the bonus share issue, or any bonus warrant issue.

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.

16. Share based payment reserve

	As at 30 November 2021 £	**As at 30 November 2020 £**
Advisor warrants	575,024	-
At 30 November 2021	**575,024**	-

On admission to AQSE Growth Market on 10 June 2021, 1,956,000 brokers warrants were issued to Tennyson Securities that entitle the warrant holder to subscribe for one ordinary share at £0.025 per ordinary share.

On admission to AQSE Growth Market on 10 June 2021, 2,971,950 brokers warrants were issued to First Sentinel Corporate Finance Limited that entitle the warrant holder to subscribe for one ordinary share at £0.025 per ordinary share.

On admission to AQSE Growth Market on 10 June 2021, 550,000 brokers warrants were issued to Novum Securities that entitle the warrant holder to subscribe for one ordinary share at £0.025 per ordinary share.

On admission to AQSE Growth Market on 10 June 2021, 710,000 brokers warrants were issued to Kiyo Capital that entitle the warrant holder to subscribe for one ordinary share at £0.025 per ordinary share.

On 19 March 2021, 3,500,000 advisor warrants were issued to various parties in exchange for consultancy services to the Company that entitle the warrant holder to subscribe for one ordinary share at £0.01 per ordinary share.

In addition a further 32,000,000 directors warrants were issued to the directors in exchange for services to the Company. These directors warrants can be viewed in detail in the Director’s Remuneration Report on page 7.

On 11 June 2021, 39,210,000 fundraise warrants were issued alongside the placing shares at admission to various placees. These warrants expire 2 years from the issue date and are exercisable at £0.025. Per IFRS 2 these are considered to be investor warrants and are therefore not required to be fair valued.

The estimated fair values of options which fall under IFRS 2, and the inputs used in the Black-Scholes model to calculate those fair values are as follows:

Date of grant	Number of warrants	Share Price	Exercise Price	Expected volatility	Expected life	Risk free rate	Expected dividends
19 March 2021	20,500,000	£0.025	£0.01	99.10%	1.66	0.78%	0.00%
11 June 2021	6,187,950	£0.025	£0.025	79.02%	1.67	0.76%	0.00%
11 June 2021	10,000,000	£0.025	£0.01	79.02%	1.66	0.76%	0.00%
11 June 2021	5,000,000	£0.025	£0.025	79.02%	1.66	0.76%	0.00%

Warrants

	Number of Warrants	Exercise Price	Expiry date
On incorporation	-	-	-
Issued on 19 March 2021	20,500,000	£0.01	18 Mar 2024
Issued on 11 June 2021	6,187,950	£0.025	10 Jun 2026
Issued on 11 June 2021	10,000,000	£0.01	10 Jun 2024
Issued on 11 June 2021	5,000,000	£0.025	10 Jun 2024
Issued on 11 June 2021[1]	39,210,000	£0.025	10 Jun 2023
At 30 November 2021	**80,897,950**		

The weighted average exercise price of the warrants exercisable at 30 November 2021 is £0.019.

The weighted average time to expiry of the warrants as at 30 November 2021 is 2.14 years.

[1]39,210,000 warrants issued on 11 June 2021 were issued alongside the placing of ordinary shares and as such are not valued separately.

17. Financial Instruments and Risk Management

Principal financial instruments

The principal financial instruments used by the Company from which the financial risk arises are as follows:

	30 November 2021 £	30 November 2020 £
Financial Assets		
Cash and cash equivalents	1,523,665	-
Trade and other receivables	508,000	-
Investments	528,675	-
	2,560,040	-

Financial Liabilities		
Trade payables	20,228	-
Other payables	803	-
	21,031	**-**

The financial liabilities are payable within one year.

General objectives and policies

As alluded to in the Directors report the overall objective of the Board is to set policies that seek to reduce risk as far as practical without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are:

Policy on financial risk management

The Company's principal financial instruments comprise cash and cash equivalents, trade and other receivables, investments and trade and other payables. The Company's accounting policies and methods adopted, including the criteria for recognition, the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are set out in note 2 – "Accounting Policies".

The Company does not use financial instruments for speculative purposes. The carrying value of all financial assets and liabilities approximates to their fair value.

Derivatives, financial instruments and risk management

The Company does not use derivative instruments or other financial instruments to manage its exposure to fluctuations in foreign currency exchange rates, interest rates and commodity prices.

Foreign currency risk management

The Company does have some foreign currency exposure as the investment in Berkley is denominated in US dollars. However due to the low volume of transactions and the relative stability of both the $USD and £GBP the Directors have assessed the risk as minimal and decided that mitigation strategies are not required at this stage of operations. The Directors will continue to assess this risk at regular intervals going forward.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's exposure and the credit ratings of its counterparties are monitored by the Board of Directors to ensure that the aggregate value of transactions is spread amongst approved counterparties.

The Company applies IFRS 9 to measure expected credit losses for receivables, these are regularly monitored and assessed. Receivables are subject to an expected credit loss provision when it is probable that amounts outstanding are not recoverable as set out in the accounting policy. The impact of expected credit losses was immaterial.

The Company's principal financial assets are cash and cash equivalents, trade and other receivables and investments. Cash equivalents include amounts held on deposit with financial institutions.

The credit risk on liquid funds held in current accounts and available on demand is moderate as the Company has chosen to store funds in online banking platforms rather than high street banks with a physical presence.

Despite any perceived increase in risk of online platforms they are quickly becoming the norm in modern day business and should not be cause for a significant elevation in risk.

As alluded to in Note 12 the majority of the trade and other receivables balance are held by FCA regulated firms and hence the directors are confident in the recoverability of this asset. Further more the debtor is related to administrative issues rather than an actual deficit of funds.

No financial assets have indicators of impairment.

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recorded in the financial statements.

Borrowings and interest rate risk

The Company currently has no borrowings. The Company's principal financial assets are cash and cash equivalents, trade and other receivables and investments. Cash equivalents include amounts held on deposit with financial institutions. The effect of variable interest rates is not significant.

Liquidity risk

During the period ended 30 November 2021, the Company was financed by cash raised through equity funding. Funds raised surplus to immediate requirements are held as cash deposits in Sterling.

In managing liquidity risk, the main objective of the Company is to ensure that it has the ability to pay all of its liabilities as they fall due. The Company monitors its levels of working capital to ensure that it can meet its liabilities as they fall due.

The table below shows the undiscounted cash flows on the Company's financial liabilities as at 30 November 2021 on the basis of their earliest possible contractual maturity.

	Total	**Within 2 months**	**Within 2-6 months**
	£	**£**	**£**
At 30 November 2021			
Trade payables	20,228	20,228	-
Other payables	803	803	-

Capital management

The Company considers its capital to be equal to the sum of its total equity. The Company monitors its capital using a number of key performance indicators including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities.

The Company's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Company funds its capital requirements through the issue of new shares to investors.

18. Financial assets and liabilities

	Financial assets at amortised cost £	Financial liabilities at amortised cost £	Total £
2021			
Trade and other receivables	508,000	-	508,000
Investments	528,375	-	528,375
Cash and cash equivalents	1,523,665	-	1,523,665
Trade and other payables	-	(21,031)	(21,031)
	2,560,040	**(21,031)**	**2,539,009**

19. Related Party Transactions

Shares and warrants issued to directors

Please reference the Directors' Report on page 13 & 14 for information on the director's interest in shares and warrants.

In addition to these shareholdings Olivia Edwards also holds 1,000,000 shares at the date of the director's report. Olivia Edwards is the daughter of Michael Edwards.

Service Agreements

The Company has the following service agreements with directors of the Company:

1) Toro Consulting Ltd

On April 5th 2021 the Company entered into a consultancy agreement with Toro Consulting Ltd , a company owned and controlled by Jonathan Bixby pursuant to which Toro agreed to provide the services of Jonathan Bixby so that Mr Bixby can lead the development and execution of the Company's long term strategy with a view to creating shareholder value and be responsible for day to day management decisions and for implementing the Company's long and short term plans. At year end there was an amount of £10,000 owed to Toro Consulting Ltd in relation to consulting fees for the month of November 2021.

2) Dark Peak Services Limited

On 4 June 2021 the Company entered into a consultancy agreement with Dark Peak Services Limited, (Dark Peak), a company owned and controlled by Nicholas Lyth (2) pursuant to which Dark Peak agreed to provide the services of Nicholas Lyth to the Company as the finance director of the Company to provide financial management services including supervising accounting staff, overseeing internal controls, setting financial targets, implementing fund-raising strategies, engaging with investors, developing a financial strategy, conducting feasibility studies, monitoring expenditure, overseeing annual insurance, monitoring cash flow, evaluating investments, and managing tax compliance. In the period there were no fees paid above what has been disclosed in the Director's Report.

3) Marallo Holdings Inc

On 5 February 2021 the Company entered into a consultancy agreement with Marallo Holdings Inc, a company owned and controlled by director Michael Edwards and his wife Julie Hamilton. Under the terms of this agreement Michael Edwards agreed to provide services as a non-executive director to the Company. In the period there were no fees paid above what has been disclosed in the Director's Report. At year end there was an amount of £5,000 owed to Marallo Holdings Inc in relation to consulting fees for the month of November 2021.

4) Briarmount Ltd

During the period the Company entered into a consultancy agreement with Briarmount Ltd, a company owned and controlled by Timothy Le Druillenec to provide services as a non-executive director to the Company. In the period there were no fees paid above what has been disclosed in the Director's Report.

20. Ultimate Controlling Party

As at 30 November 2021, there was no ultimate controlling party of the Company.

21. Capital Commitments

As at 30 November 2021 there were no capital commitments for the Company.

22. Contingent Liabilities

As at 30 November 2021 there were no contingent liabilities for the Company.

23. Events subsequent to period end

There are no material events subsequent to period end that require disclosure.