

Company Registration No. 12912620 (England and Wales)

POKO GROUP LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30TH JUNE 2021

POKO GROUP LIMITED
COMPANY INFORMATION

Directors	David Hughes Timothy Henley
Secretary	David Hughes
Company number	12912620
Registered office	27 Old Gloucester Street London WC1N 3AX United Kingdom
Auditor	OKC Chartered Accountants Statutory Audit Firm Holly Mews 29A Dartry Road Dublin 6 Ireland

POKO GROUP LIMITED
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PERIOD ENDED 30TH JUNE 2021

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**POKO GROUP LIMITED
DIRECTORS' REPORT
FOR THE PERIOD ENDED 30TH JUNE 2021**

The Directors present their annual report and financial statements for the period 29th September 2020 to 30th June 2021.

Principal activities

Poko Group Limited consists of a group of CBD and financial service focused assets. These assets form an ecosystem – from lead generation to offering a marketplace platform to sell and a payment gateway to process all monies.

The company was incorporated on 29th September 2020 and commenced trading during the period.

Directors

The Directors who held office during the period and/or up to the date of signature of the financial statements were as follows:

David Hughes (appointed 29th September 2020)

Timothy Henley (appointed 30th September 2021)

Events after the reporting period

Poko Innovations Inc (formerly Brunswick Resources Inc) acquired the entire issued share capital of the company with effect from 13th August 2021. Poko Innovations Inc is incorporated in Canada and is listed on the Canadian Stock Exchange.

Auditor

OKC Chartered Accountants was appointed as auditor to the company during the period.

Statement of disclosure to auditor

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

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board:



David Hughes

Director

28/10/2021

Date:

POKO GROUP LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PERIOD ENDED 30TH JUNE 2021

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Directors have elected to prepare these financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. Under UK company law, the Directors must not approve a set of financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgement and accounting estimates that are reasonable and prudent;
- State that the financial statements comply with IFRS as adopted by the European Union; 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. 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.

POKO GROUP LIMITED
REPORT OF THE INDEPENDENT AUDITOR
FOR THE PERIOD ENDED 30TH JUNE 2021

Opinion

We have audited the financial statements of Poko Group Limited (the 'company') for the period ended 30th June 2021 which comprise the income statement, statement of financial position, statement of changes in equity, 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 Financial Reporting Standards ('IFRS') as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th June 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; 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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 the date 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.

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 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.

POKO GROUP LIMITED
REPORT OF THE INDEPENDENT AUDITOR (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the FRC's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor's-responsibilities-for.

This description forms part of our auditor's report.

POKO GROUP LIMITED
REPORT OF THE INDEPENDENT AUDITOR (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 obtain and update our understanding of the entity, its activities, its control environment and likely future developments, including in relation to the legal and applicable regulatory framework and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- enquiry of management and those charged with governance around actual and potential litigation and claims, as well as actual, suspected or alleged fraud;
- reviewing minutes of meetings with those charged with governance;
- assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

POKO GROUP LIMITED
REPORT OF THE INDEPENDENT AUDITOR (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

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.

Eoghan McMorro

Eoghan McMorro (Senior Statutory Auditor)

For and on behalf of

OKC CHARTERED ACCOUNTANTS

Statutory Audit Firm

Holly Mews

29A Dartry Road

Dublin 6

Ireland

28/10/2021

Date:.....

POKO GROUP LIMITED
INCOME STATEMENT
FOR THE PERIOD ENDED 30TH JUNE 2021

	Note	Period ended 30 th June 2021 CAD\$
CONTINUING OPERATIONS		
Revenue		165,893
Cost of sales		<u>(165,893)</u>
Gross profit/loss		<u>-</u>
Administrative expenses		<u>(64,254)</u>
Loss before tax		<u>(64,254)</u>
Tax charge for the period	8	<u>-</u>
Loss for the financial period		<u><u>(64,254)</u></u>

POKO GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2021

	Note	At 30th June 2021 CAD\$
NON CURRENT ASSETS		
Other intangible assets	9	<u>2,505,922</u>
CURRENT ASSETS		
Trade and other receivables	10	8,750
CURRENT LIABILITIES		
Trade and other payables	11	<u>(8,748)</u>
NET CURRENT ASSETS		2
<hr/>		
TOTAL ASSETS		<u><u>2,505,924</u></u>
EQUITY		
Share capital	13	2,570,178
Retained earnings		<u>(64,254)</u>
TOTAL EQUITY		<u><u>2,505,924</u></u>

28/10/2021

These financial statements were approved and authorized for issue by the Board on

Signed on behalf of the Board:

David Hughes

David Hughes

Director 28/10/2021

Date:.....

Company registration number: 12912620

POKO GROUP LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30TH JUNE 2021

	Called up share capital CAD\$	Retained earnings CAD\$	Total CAD\$
Issue of share capital	2,570,178	-	2,570,178
Transactions with owners	2,570,178	-	2,570,178
Total comprehensive income	-	(64,254)	(64,254)
Balance at 30th June 2021	<u>2,570,178</u>	<u>(64,254)</u>	<u>2,505,924</u>

POKO GROUP LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH JUNE 2021

	Note	Period ended 30 th June 2021 CAD\$
Cash flows from operating activities		
Cash generated by operations	14	-
Net cash flows from operating activities		-
Net movement in cash and cash equivalents		-
Cash and cash equivalents at the end of the year		-

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH JUNE 2021

1. GENERAL INFORMATION

Poko Group Limited is a private company limited by shares incorporated in the United Kingdom and registered in England. The company's registered office address is 27 Old Gloucester Street, London, WC1N 3AX. The company's principal activities are set out in the Directors' Report on page 1 to these financial statements.

The company was incorporated on 29th September 2020 and these financial statements are for the period 29th September 2020 to 30th June 2021.

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board and as adopted by the European Union. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted in the preparation of these financial statements are set out below.

The financial statements are presented in Canadian Dollars (CAD\$) and this is also considered to be the functional currency of the company. All amounts, unless otherwise stated, have been rounded to the nearest CAD\$.

The company has prepared its financial statements for the period 29th September 2020 to 30th June 2021, whilst IFRS as adopted by the European Union were replaced with UK International Accounting Standards for accounting periods commencing on or after 1st January 2021. These financial statements for the period ended 30th June 2021 have therefore been prepared under IFRS as adopted by the European Union as the financial period started on 29th September 2020. The financial statements for the year ended 30th June 2022 will be prepared using UK International Accounting Standards as that financial year starts on 1st July 2021, ie, after 1st January 2021.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting judgements and estimates. The areas where significant judgements and estimates have been made in preparing these financial statements and their effect are disclosed in Note 4.

2. GOING CONCERN

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons, including the company's own resources and external market conditions.

The company's ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses and continue to advance its position as an ecosystem will be through various means, including, but not limited to, equity financing. As set out in Note 20, a change in parent company took place in August 2021. That parent company obtained additional equity funding at that time and has indicated its intention to provide financial and operating support to the company, if necessary.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for the financial statements, then adjustments would be necessary to the carrying amount of assets and liabilities, the reported expenses and the classifications used in the statement of financial position.

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

3. PRINCIPAL ACCOUNTING POLICIES

3.1 New Standards, Amendments and Interpretations

IFRS as adopted by the European Union were replaced with UK International Accounting Standards for accounting periods commencing or after 1st January 2021. Under the provisions of the European Union (Withdrawal) Act 2018, UK International Accounting Standards at the transition date of 31st December 2020 will be identical to IFRS as adopted by the EU. At the date of transition from IFRS as adopted by the European Union to UK International Accounting Standards, there were no new but not yet effective Standards, Amendments to existing Standards or Interpretations which have been adopted by the European Union and which will be applied by the Company in future accounting periods and which are expected to have a material impact on the Company's financial statements.

Since the transition date of 31st December 2020, the UK Endorsement Board has not adopted any new Standards, Amendments to existing Standards or Interpretations which are expected to have a material impact on the Company's financial statements.

3.2 Revenues

Revenue is measured based on the consideration specified in the sales contract with a customer and excludes amounts collected on behalf of third parties. Revenue recognition is based on the delivery of performance obligations and an assessment of when control is transferred to the customer. The complexity of individual contractual terms may require the company to make judgements in assessing when the triggers for revenue recognition have been met, particularly, whether the company has sufficiently fulfilled its obligations under the contract to allow revenue to be recognized.

Revenues represent amounts receivable for goods, net of VAT, measured at the fair value of the consideration receivable.

Revenue from the sale of goods is recognized when the significant risks and rewards of owning the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Direct sales from the company's website require payment prior to dispatch. Direct sales made via third-party websites also require payment to the third party websites prior to dispatch. The company recognizes such sales at the point of dispatch and a corresponding accounts receivable balance is recognized until the sales proceeds are transferred to the company, which is usually within one month.

3.3 Foreign Currencies

Assets and liabilities in foreign currencies are translated into Canadian Dollars at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into Canadian Dollars at the rates of exchange ruling at the date of the transaction.

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.4 Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in profit or loss 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary 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 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. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting 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 is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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

Current tax and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.5 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight line basis over their estimated useful lives, as follows:

Cannmed White Label & Media - online marketplace technology:	10 years
Poko – CBD skincare brand	10 years
Lumipay – payment gateway	10 years
Cannmed – Cannmed Products wholesale brand	10 years
News Media – News and media sites, including e-zines	10 years

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

3.6 Impairment of intangible assets

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

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of the reporting period that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and, to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognized in profit or loss.

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.6 Impairment of intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

3.7 Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

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

Impairment of financial assets

The company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Financial liabilities

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs, unless the company designates a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method, except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss, other than derivative financial instruments that are designated and effective as hedging instruments.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss, are included within finance costs or finance income.

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

3. PRINCIPAL ACCOUNTING POLICIES (continued)

3.8 Trade and other receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognized at fair value. The company holds trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due.

3.9 Cash and cash equivalents

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

3.10 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are presented as current liabilities, unless payment is not due within 12 months after the reporting period.

3.11 Equity

Equity comprises the following:

- Called up share capital represents the nominal value of the equity shares.
- Retained earnings represent accumulated profits and losses from incorporation.

4. CRITICAL JUDGEMENTS AND ACCOUNTING ESTIMATES

When preparing the Company's financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, revenue and expenses. The following are the judgements made by management in applying the accounting policies of the Company that have the most significant effect on these financial statements.

Impairment of intangible assets

The Company is required to consider its intangible assets for impairment where impairment indicators exist. Impairment is considered through using value in use calculations or estimates of fair value. The use of these methods may require the estimates of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The actual outcomes may differ from the estimates.

Amortization periods of intangible assets

The directors are required to estimate the useful economic life and amortization policies for all of the company's intangible fixed assets and this requires an estimate of the time period over which the underlying assets are expected to generate profits for the company.

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

5. OPERATING LOSS

The operating loss for the period is stated after charging:

	Period ended 30 th June 2021 CAD\$
Amortization of intangible fixed assets	64,254

6. AUDITOR'S REMUNERATION

The audit fee totaled CAD\$9,420 and the fee for the provision of other audit-related services during the period totaled CAD\$4,940. In both cases, the fees were borne by a related company.

7. DIRECTORS' REMUNERATION

The directors received no remuneration from the company during the period. The directors are considered to be the key management personnel of the company.

8. TAXATION

There is no taxation charge for the period. This can be reconciled to the expected charge based on the loss and the standard rate of corporation tax, as follows:

	Period ended 30 th June 2021 CAD\$
Loss before taxation	64,254
Expected tax credit based on the standard rate of corporation tax in the UK of 19%	12,208
Tax losses carried forward	(12,208)
Tax charge for the period	-

The Finance Bill 2021 was substantively enacted on 24 May 2021 and the main rate of corporation tax will be 25% from 1 April 2023.

The company has tax losses of CAD\$64,254 carried forward at 30th June 2021. A deferred tax asset has not been recognized in respect of these losses as there is insufficient certainty over the timing or amount of their utilization.

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

9. INTANGIBLE FIXED ASSETS

On 30th September 2020, the company acquired the following intangible assets for a total consideration of CAD\$2,570,176 by way of an asset transfer agreement and in exchange for share capital in the company (see Note 13).

	Cannmed White Label & Media CAD\$	Poko CAD\$	Lumipay CAD\$
Cost:			
Additions	719,625	565,419	462,616
Balance at 30th June 2021	719,625	565,419	462,616
Amortization and impairment:			
Additions	17,991	14,135	11,565
Balance at 30th June 2021	17,991	14,135	11,565
Carrying amount at 30th June 2021	701,634	551,284	451,051
	Cannmed CAD\$	News Media CAD\$	Total CAD\$
Cost:			
Additions	257,008	565,508	2,570,176
Balance at 30th June 2021	257,008	565,508	2,570,176
Amortization and impairment:			
Additions	6,425	14,138	64,254
Balance at 30th June 2021	6,425	14,138	64,254
Carrying amount at 30th June 2021	250,583	551,370	2,505,922

Further details on the intangible assets acquired are set out below:

Cannmed White Label & Media – CAD\$719,625

Cannmed white label division has over 1,000 SKUs available to white label. The division is fed sales leads via the media websites controlled by Poko Group that help drive traffic to the sites and to generate sales leads. This media will also be used in the Poko Marketplace, which is being built with the capability in mind to handle large volumes of orders and supplier SKUs across multiple warehouses on the platform.

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

9. INTANGIBLE FIXED ASSETS (continued)

Further details on the intangible assets acquired are set out below:

Poko – CAD\$565,419

An innovative CBD skincare brand with a focus on problem skin conditions such as psoriasis, rosacea, acne and eczema using CBD and other active ingredients in its formulations.

LumiPay – CAD\$462,616

A CBD friendly payment gateway. Currently expanding its client base with the goal of being acquired or separating out of the group at a later stage to IPO as its own Financial Service.

Cannmed Products Wholesale Brand – CAD\$257,008

A raw materials, white labelling and isolate supplier in the UK, Cannmed products will offer continuous revenue to the Cannmed Group. The goal would be to grow Cannmed and potentially be acquired by or partner with larger players in the UK once regulations are in place, i.e., Novel Food Act in March 2021.

News & Media – CAD\$565,508

- The Extract: One of the leading news and media sites for the CBD and Cannabis industry in the UK. Its main aim is to provide lead generation for the raw materials and marketplace sites.
- Candid Magazine: A lifestyle focused e-zine, newly acquired and repurposed, it's still finding its audience. Similar to The Extract, its purpose will be lead generation and support for the other assets in the group.
- CBD Village: One of the main revenue drivers for the Cannmed Group, this asset will remain in place working alongside the Cannmed Marketplace. CBD Village is an ecommerce store focussed on education and sales of CBD direct to the consumer.

10. TRADE AND OTHER RECEIVABLES

	At 30 th June 2021 CAD\$
Accounts receivable	8,748
Other receivables	2
	8,750

11. TRADE AND OTHER PAYABLES

	At 30 th June 2021 CAD\$
Accruals	8,748

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

12. FINANCIAL INSTRUMENTS

	At 30 th June 2021 CAD\$
Carrying amount of financial assets	
Debt instruments measured at amortised cost	8,750
Carrying amount of financial assets	
Measured at amortised cost	-

13. EQUITY

	30 th June 2021	
	Number	CAD\$
Shares allotted during the period:		
1 Ordinary share of GBP1.00 per share	1	2
1,231,517 Ordinary shares of CAD\$2.087 per share	1,231,517	2,570,176
Total	1,231,518	2,570,178

On incorporation, 1 Ordinary share of £1.00 per share was issued at par value.

On 30th September 2020, 1,231,517 Ordinary shares of CAD\$2.087 per share were issued at par value. These shares were issued in exchange for intangible fixed assets totaling CAD\$2,570,176 which are described in Note 9 to these financial statements.

14. CASH GENERATED FROM OPERATIONS

	Period ended 30 th June 2021 CAD\$
Loss before taxation	(64,254)
Adjustments for:	
Amortisation of intangible fixed assets	64,254
(Increase) in trade and other receivables	(8,748)
Increase in trade and other payables	8,748
Cash generated from operations	-

POKO GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 30TH JUNE 2021

15. SIGNIFICANT NON-CASH TRANSACTIONS

The company acquired intangible fixed assets totalling CAD\$2,570,176. As set out in Note 13, the consideration for the assets was settled via the issue of ordinary share capital in the company.

16. FINANCIAL INSTRUMENTS' RISK

Financial instruments relate to accounts receivable balances which have been collected by a third party website at the statement of financial position date and which were transferred to the company in the subsequent month. The credit risk associated with these accounts receivable balances is considered to be low; the third parties have transferred all amounts promptly to date and the end-customer has to pay for the goods prior to dispatch.

The company is not exposed to any significant interest rate or currency risk.

17. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The company is not subject to any externally imposed capital requirements. The company's principal capital management objective is to ensure that the company remains a going concern and Note 2 discloses the basis on which the going concern assumption has been applied when preparing these financial statements.

18. RELATED PARTY TRANSACTIONS

The company allotted Ordinary shares with a total nominal value of CAD\$2,570,176 to Cannmed Products Limited on 30 September 2020 in exchange for certain intangible fixed assets, as disclosed in Note 9 to these financial statements. Cannmed Products Limited is considered to be a related party as it is controlled by David Hughes, who was the ultimate controlling party of the company at 30th June 2021.

ORH Marketing Limited (incorporated in Ireland) and Poko Group Innovations Limited (incorporated in Ireland) are considered to be related parties as they are controlled by David Hughes, who was the ultimate controlling party of the company at 30th June 2021.

During the period, the company made purchases from Cannmed Products Limited totaling CAD\$105,019 and made purchases from ORH Marketing Limited totaling CAD\$16,816. No amounts were due to Cannmed Products Limited or ORH Marketing Limited at 30th June 2021.

Poko Group Innovations Limited settled the fees paid to the company's auditor, as set out in Note 6.

At 30th June 2021, David Hughes owed CAD\$2 to the company in respect of unpaid share capital.

19. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

At 30th June 2021, the ultimate parent company was Cannmed Products Limited. The ultimate controlling party was David Hughes.

20. EVENTS AFTER THE REPORTING PERIOD

Poko Innovations Inc (formerly Brunswick Resources Inc) acquired the entire issued share capital of the company with effect from 13th August 2021. Poko Innovations Inc is incorporated in Canada and is listed on the Canadian Stock Exchange.