RNS Number : 2405U
Catenai PLC
28 June 2024

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Catenai PLC

("Catenai" or the "Company")

Final Results

Catenai PLC (AIM: CTAI), the AIM quoted provider of digital media and technology, announces its full year audited results for the year ended 31 December 2023.

Financial overview

- The Company made a net loss for the year of £261,318 (2022: £545,533). Revenues for the year were £28,670 (2022: £117,020).
- The Company has a statement of financial position at the year-end showing net liabilities of £433,158 (2022 net liabilities: £171,840).

The auditors have made reference to going concern by way of a material uncertainty within their audit report. The Directors are confident that the Company will achieve its cash flow forecasts and, taking into account the operating initiatives already in place and the funding options available to the Company, have prepared the accounts on a going concern basis. Nevertheless, the forecasts show that the Company may have a low level of cash in twelve months' time and may require further funding in the longer term to meet its commitments as they fall due. These conditions and events indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and the Company may therefore be unable to realise their assets and discharge their liabilities in the ordinary course of business. The auditor's opinion is not modified in respect of this matter. The Independent Auditor's Report is set out in full below.

Operational overview

The Board continues to focus on organic growth, building on existing customer relationships and attracting new clients, and also on identifying and exploring strategic acquisitions to build the Company and improve shareholder value.

Posting of Accounts

The Reports and Accounts of Catenai have been sent to shareholders and are available on the Company's website https://catenaiplc.com/

This announcement contains inside information for the purposes of the UK Market Abuse Regulation. The person who arranged for release of this announcement on behalf of the Company was John Farthing, Interim CEO & Chief Financial Officer of the Company and the Directors of the Company are responsible for the release of this announcement.

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Notes to Editors:

About Catenai PLC

Catenai is an AIM quoted provider of digital media and technology services. The Company specialises in IT solutions that solve commercial challenges and create opportunities for its clients, with an increasing focus incorporating AI into its platforms. The Company has an experienced IT team of project managers and integrators who have deployed systems across corporate, government and educational sectors.

http://www.catenaiplc.com

Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

Chairman's Statement

Business and performance review

The Company looked at a large number of acquisition opportunities during the year, and whilst none has resulted in a transaction, it has led to the post-year-end activity with regard to Klarian Ltd. The Board was also pleased that its robust approach to the dispute with Hyperneph Software Ltd was vindicated with a settlement and write-back of £102,500.

Board changes

In March 2024, Guy Meyer resigned and Sarfraz Munshi was appointed as a non-executive director. John Farthing combined his existing CFO position with that of interim CEO.

Financial overview

The Company made a net loss for the year of £261,318 (2022: £545,533). Revenues for the year were £28,670 (2022: £117,020).

The Company has a statement of financial position at the year-end showing net liabilities of £433,158 (2022 net liabilities: £171,840).

Working capital and fund raisings

During the year, the Company received £131,000 by way of convertible loan from Sanderson Capital Partners Limited.

Company strategy

The Board continues to focus on organic growth, building on existing customer relationships and attracting new clients, and also on identifying and exploring strategic acquisitions to build the Group and improve shareholder value.

Operational KPIs

During the 15-month period, we refined the operational KPIs we believe to be most relevant. These are:

- number of customers;
- number of repeat orders;
- number of acquisition opportunities reviewed; and
- bank balance.

Current Trading and Outlook

We continue to seek additional work from customers and develop the relationship with Klarian Ltd.

I would like to thank the team at Catenai for their commitment and tenacity in pursuing every opportunity to bring new business into the Company.

Brian Thompson

Chairman
27 June 2024

Consolidated statement of comprehensive income for the period ended 31 December 2023

	Note	12 months 31 December 2023 £	15 months 31 December 2022 £
Revenue	3	**28,670**	**117,020**
Cost of sales		-	-
Gross profit		**28,670**	**117,020**
Administrative expenses	4	(392,488)	(662,553)
Reversal of provision	10	102,500	-
Loss from operations		**(261,318)**	**(545,533)**
Net finance expense		-	-
Loss before taxation		**(261,318)**	**(545,533)**
Taxation credit	7	-	-
Loss from continuing operations		**(261,318)**	**(545,533)**
Total comprehensive loss for the year		**(261,318)**	**(545,533)**
Basic and diluted loss per share (pence)	9	**(0.09)**	**(0.19)**

Consolidated Statement of financial position at 31 December 2023

	Note	2023 £	2022 £
Non-current assets			
Intangible assets		1	1
Investments	10	0	0
		1	**1**
Current assets			
Trade and other receivables	11	17,291	74,745
Cash and other equivalents		1,185	61,922

		18,476	**136,667**
Current liabilities			
Trade and other payables	12	(320,635)	(308,508)
Loans and borrowings	13	(131,000)	-
		(451,635)	**(308,508)**
Non current liabilities			
Loans and borrowings	13	-	-
Total liabilities		**(451,635)**	**(308,508)**
Net assets / (liabilities)		**(433,158)**	**(171,840)**
Capital and reserves			
Ordinary share capital	15	570,078	570,078
Deferred share capital	15	3,159,130	3,159,130
Share premium account		19,665,457	19,665,457
Share reserve		(83,333)	(83,333)
Merger reserve		11,119,585	11,119,585
Capital redemption reserve		2,732,904	2,732,904
Retained Losses		(37,596,979)	(37,335,661)
Shareholders' funds		**(433,158)**	**(171,840)**

The financial statements were approved by the Board and authorised for issue on 27 June 2024

Brian Thompson

Chairman

Consolidated statement of cash flows for the period ended 31 December 2023

Cash flow from operating activities	**Note**	**12 months 31 December 2023**	**15 months 31 December 2022**
		£	**£**
Loss for the year		**(261,318)**	**(545,533)**
Adjustments for:			
Amortisation of intangible assets		-	-
Net bank and other interest charges		-	-
Services settled by the issue of shares		-	-
Issue of share options and warrants charge		-	-
Net cash outflow before changes in working capital		**(261,318)**	**(545,533)**
(Increase)/Decrease in trade and other receivables		57,454	(29,509)
(Decrease) / Increase in trade and other payables		12,127	81,849
Cash outflow from operations		**(191,737)**	**(493,193)**
Interest received		-	-
Interest paid			
		-	-
Net cash flows from operating activities			
		(191,737)	(493,193)
Investing activities			
Investment in joint venture			
		-	-

Net cash flows from investing activities		
	-	-
Financing activities		
Issue of ordinary share capital	-	15,273
New loans raised	131,000	-
Net cash flows from financing activities	**131,000**	**15,273**
Net (decrease) / increase in cash	**(60,737)**	**(477,920)**
Cash and cash equivalents at beginning of year	61,922	539,842
Cash and cash equivalents at end of year	**1,185**	**61,922**

Consolidated statement of changes in equity for the period ended 31 December 2023

	Share Capital	**Share Premium**	**Deferred Shares / Shares to be issued**	**Other Reserves**	**Retained Earnings**	**Total Equity**
	£	**£**	**£**	**£**	**£**	**£**
Balance at 30 Sep 2021	**562,441**	**19,657,281**	**3,159,130**	**13,769,156**	**(36,790,128)**	**358,420**
Loss for the period	-	-	-	-	(545,533)	(545,533)
Share capital issued	7,637	7,636	-	-	-	15,273
Balance at 31 Dec 2022	570,078	19,665,457	3,159,130	13,769,156	(37,335,661)	(171,840)
Loss for the year	-		-	-	(261,318)	(261,318)
Balance at 31 Dec 2023	**570,078**	**19,665,457**	**3,159,130**	**13,769,156**	**(37,596,979)**	**(433,158)**

The other reserves relate to the merger reserve, share reserve and the capital redemption reserve

The financial statements were approved by the Board and authorised for issue on 27 June 2024.

Brian Thompson

Chairman

Notes to the financial statements for the year ended 31 December 2023

The principal activity of Catenai Plc is the provision of multimedia and technology solutions.

Catenai Plc is incorporated in the United Kingdom with registration number 04689130. Catenai Plc is domiciled in the United Kingdom and has its registered office at 27 Old Gloucester Street, London WC1N 2AX. The principal place of business for the Company is 26-27 Lansdowne Terrace, Gosforth, Newcastle Upon Tyne, NE3 1HP.

Catenai Plc is a public limited company, limited by shares and its shares are quoted on the AIM market of the London Stock Exchange.

Catenai Plc's financial statements are presented in Pounds Sterling.

The comparatives are for the 15 months ended 31 December 2022 following a change of year end.

The company changed its name from Catenae Innovation Plc to Catenai Plc on 5 March 2024.

1. Principal accounting policies

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

Statement of compliance

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with those parts of the Companies Act 2006 applicable to companies reporting under International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's statement and below. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the financial statements. In addition, note 14 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and exposures to credit risk and liquidity risk.

The net liability position as at 31 December 2023, being the Company's financial year-end, was £433,158. Subsequent to the reporting date, the Board has been able to raise additional funding through share issues which have raised £720,000 gross proceeds in cash.

The Company's forecasts and projections show that the Company should be able to operate within the level of its current cash resources, however a material uncertainty exists in relation to the Company's ability to repay its liabilities as they become due.

The Directors prepare annual budgets and cash flow projections that extend 12 months from the date of this report. These projections include the proceeds of future fundraising necessary within the next 12 months to meet the Company's overheads and planned discretionary expenditures and to maintain the Company as a going concern. Although the Company has been successful in raising finance in the past, there is no assurance that it will obtain adequate finance in the future. This represents a material uncertainty related to events or conditions which may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that they may be unable to

Going concern

realise their assets and discharge their liabilities in the normal course of business. However, the directors have a reasonable expectation that they will secure additional funding when required to continue meeting corporate overheads and other costs for the foreseeable future and therefore the directors believe that the going concern basis is appropriate for the preparation of the financial statements.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis in preparing the annual report and financial statements, however as noted above a material uncertainty exists which may cast significant doubt on the Company's ability to continue operating as a going concern.

The auditors have made reference to going concern by way of a material uncertainty within their audit report.

Revenue recognition

The Company provides software licencing and support services.

The weighting of these and pricing of these services (which drives the revenue recognition) depends on the service level required by the client, and on the commercial imperatives and pricing sensitivities of the client.

The contractual performance obligations will typically be embedded in an agreement with the client.

Where that agreement is detailed, the revenue recognition will follow the allocation of fees and revenues against the completion of the agreed performance milestones in the accounting period.

Where the agreement is not specific, the revenue recognition will be in proportion to the completion of performance milestones in the relevant accounting period against the internal costings prepared in advance for each project.

(i) Software licencing contracts

Revenue from software licencing contracts is recognised when the customer takes possession of and accepts the software licence products which is the point in time when the customer has the ability to direct the use of the product and obtain substantially all of the benefits of the products.

(ii) Ongoing support and maintenance contracts

Revenue from ongoing support and maintenance contracts is recognised over the contractual term when the customer simultaneously receives and consumes the benefits provided by the Company's performance, as the Company performs. The Company recognises contract liabilities for any revenue not yet provided to the customer as of the year end.

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Company's development activity is recognised only if all the following conditions are met:

- an asset is created that can be identified (such as a website);
- it is probable that the asset created will generate future economic benefits: and,
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised on a straight-line basis over their estimated useful economic lives. The amortisation expense is included within the other administrative expenses line of the statement of comprehensive income.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights.

Impairment of non-current assets

For the purposes of assessing impairment, assets are Companied into separately identifiable cash-generating units. At the end of each reporting period, the Company reviews the carrying amounts of its non-current 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 in order to determine the extent of the impairment loss (if any).

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use based on an internal discounted cash flow evaluation.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on demand deposits.

Investments

Investments in subsidiaries, associates and joint ventures are stated cost and reviewed for impairment if there are indicators that the carrying value may not be recoverable. An impairment loss is recognised to the extent that the carrying amount cannot be recovered either by selling the asset or by continuing to hold the asset and benefitting from the net present value of the future cash flows of the investment.

Equity

Equity comprises the following:

- *Share capital* represents the nominal value of issued ordinary shares and deferred shares.
- *Share premium* represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- *Shares to be issued reserve* represents cash received for the purchase of shares yet to be issued at the period end and for creditors who have agreed to convert their debt to shares yet to be issued at the period end.
- *Merger reserve* represents the excess over nominal value of the fair value of consideration received for equity shares issued on acquisition of subsidiaries, net of expenses of the share issue.
- *Share reserve* represents shares held in treasury at nominal value following the conclusion of the defaulting shares from October 2016.
- *Capital redemption* reserve represents the nominal value of shares repurchased by the Company.
- *Retained earnings* represent retained profits and losses.

Equity instruments

Equity instruments issued by the Company are recorded as the proceeds received, net of direct costs.

Deferred taxation

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Financial assets

On initial recognition, financial assets are classified as either financial assets at fair value through the statement of profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

Loans and receivables

The Company classifies all its financial assets as trade and other receivables. The classification depends on the purpose for which the financial assets were acquired.

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

For trade receivables and other receivables due in less than 12 months, the Company applies the simplified approach in calculating Expected Credit Losses ("ECL's"), as permitted by IFRS 9. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

Financial liabilities

Financial liabilities are recognised when, and only when, the Company becomes a party to the contracts which give rise to them and are classified as financial liabilities at fair value through the profit and loss or loans and payables as appropriate. The Company's loans and payable comprise trade and other payables.

When financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through income statement.

Fair value through the income statement category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. There were no financial liabilities classified under this category.

The Company determines the classification of its financial liabilities at initial recognition and re-evaluate the designation at each financial year end.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Share-based payments

When share options and warrants are awarded, the fair value of the options and warrants at the date of grant is charged to the statement of comprehensive income over the vesting period. Non-market conditions are taken into account by adjusting the number of equity instruments expected to vest at each end of reporting period, so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options and warrants that eventually vest.

Market conditions are factored into the fair value of the options and warrants granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options and warrants are modified before they vest, the increase in fair value of the options and warrants, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the full cost of services provided

Where equity instruments are granted to persons other than employees, the full cost of services provided is recognised as a current liability and as a charge in the statement of comprehensive income. When shares are issued to settle the obligation, the liability is extinguished and the share issue is reflected in equity as an issue of share capital.

Upon exercise of share options and warrants, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

New and amended Standards and Interpretations adopted by the Company

There were no new standards and interpretations to published standards adopted during the year which have had a significant impact on the company's accounting policies.

New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 January 2023

At the date of authorisation 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:

Ref	Title	Summary	Application date of standards (periods commencing)
IFRS 17	Insurance Contracts	Establishes new principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held and qualifying investment contracts with discretionary participation features issued.	Annual periods beginning on or after 1 January 2023.
IFRS 16	Lease Liability in a Sale and Leaseback	Specifies requirements relating to measuring the lease liability in a sale and leaseback transaction after the date of the transaction.	Annual periods beginning on or after 1 January 2024.
IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Introduces an exception to clarify that the 'initial recognition exemption' does not apply to transactions that give rise to equal taxable and deductible timing differences.	Annual periods beginning on or after 1 January 2023.
IAS 8	Changes in Accounting Estimates and Errors: Definition of Accounting estimates	Clarifies how to distinguish changes in accounting policies from changes in accounting estimates.	Annual periods beginning on or after 1 January 2023.
IAS 1	Presentation of Financial Statements and IFRS Practice Statement 2 - Disclosure of Accounting Policies	Changes requirements from disclosing 'significant' to 'material' accounting policies and provides explanations and guidance on how to identify material accounting policies.	Annual periods beginning on or after 1 January 2024.
IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants Date	Clarifies that only those covenants with which an entity must comply on or before the end of the reporting period affect the classification of a liability as current or non-current.	Annual periods beginning on or after 1 January 2024.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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

2. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

Critical judgements and estimates in applying the Company's accounting policies

In the process of applying the Company's accounting policies, which are described in note 1, management has made the following judgements and estimates that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Judgements

Going concern

Management have considered that the Company remains a going concern. The going concern assumption is discussed further in note 1.

Estimates

There are not deemed to be any key sources of estimation of uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Segment and revenue analysis

The accounting policy for identifying segments is based on the internal management reporting information that is regularly reviewed by the senior management team.

The Company has one reportable segment:

> Catenai - Catenai generates revenue from the exploitation of intellectual property and licenses held.

The financials for this segment can be seen in the financial statements in this document.

The company derives revenue from the transfer of services over time and at a point in time to customers all located in the UK.

	12 months 31 December 2023 £	15 months 31 December 2022 £
Timing of revenue recognition:		
At a point in time	28,670	117,020
Over time	-	-
Total revenue	28,670	117,020

4. Administrative expenses

The following amounts are included within administrative expenses:

	12 months 31 December 2023 £	15 months 31 December 2022 £
Auditors' remuneration:		
Fees payable to the Company's auditor:		
For the audit of the Company's annual accounts	14,000	14,000
Staff costs (note 5)	211,476	307,809

5. Directors and staff

Staff costs during the year, including Directors, were as follows:

	12 months 31 December 2023 £	15 months 31 December 2022 £
Wages and salaries	193,000	276,458
Social security costs	16,443	28,052
Pension costs	2,034	3,299
	211,477	307,809

The average number of staff of the Company during the year was as follows:

	2023 no.	15 months 31 December 2022 no.
Sales, distribution and technology	1	1

Sales, distribution and technology	1	1
Directors and administration	3	3
	4	4

The amounts paid and accrued as a liability by the Company in respect of the Directors, who are the key management personnel of the Company was as follows:

Year ended 31 December 2023

	Paid	Accrued	Total
Edward Guy Meyer	45,659	42,000	87,659
Brian Thompson	-	-	-
John Farthing	39,000	17,000	56,000
Total	**84,659**	**59,000**	**143,659**

Year ended 31 December 2022

	Paid	Accrued	Total
Edward Guy Meyer	80,500	51,500	132,000
Brian Thompson	-	-	-
John Farthing	46,500	12,750	59,250
Total	**127,000**	**64,250**	**191,250**

5. Directors and staff (Continued)

Employers national insurance, employers pension and share option / warrant charges for key management personnel (including directors)

	2023		2022		
	Employers NIC	Employer Pension	Employers NIC	Employer Pension	Total
Edward Guy Meyer	5,156	991	10,113	1,431	**17,691**
Brian Thompson	-	-	-	-	**-**
John Farthing	4,214	-	5,521	-	**9,735**
	9,370	**991**	**15,634**	**1,431**	**27,426**

As at 31 December 2023 director's fees of £123,250 (2022: £64,250) relating to current and prior year fees remains outstanding, of which £93,500 (2022: £51,500) relates to Edward Guy Meyer, £29,750 (2022: £12,750) relates to John Farthing.

6. Discontinued operations

There were no discontinued operations during the year. The Company disposed of its subsidiary as detailed in note 10.

7. Tax on loss

	2023 £	15 months 31 December 2022 £
Loss before tax	(261,318)	(545,533)
Loss at the standard rate of corporation tax in the UK of 25% (2022: 19%)	(65,329)	(103,651)
Effects of:		
Expenses not deductible for tax purposes	-	19,462
Unutilised tax losses and other deductions	(65,329)	84,189
Total tax credit in the year	-	-

Deferred tax assets of approximately £3m (2022: £2.9m) have not been recognised in the financial statements as there is currently insufficient evidence to suggest that any deferred tax asset would be recoverable. The Company has unutilised tax losses of approximately £15.6m (2022: £15.2m) that would be available to carry forward against future profits from the same activity, subject to agreement by HM Revenue & Customs.

The corporation tax rate in the UK increased to 25% on 1 April 2023.

8. Dividends

No dividends have been paid or proposed in the year (2022: £nil).

9. Loss per share

The calculation of the basic loss per share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. The calculation of diluted loss per share is based on the basic loss per share, adjusted to allow for the issue of shares and the post tax effect of dividends and interest, on the assumed conversion of all other dilutive options and other potential ordinary shares.

There were 144,444 share options and 26,927,240 share warrants outstanding at the year-end (2022: 144,444 and 26,927,240). However, the figures for 2023 and 2022 have not been adjusted to reflect conversion of these share options, as the effects would be anti- dilutive.

			2023			2022
	Loss £	Weighted average number of shares	Per share amount Pence	Loss £	Weighted average number of shares	Per share amount Pence
Basic and diluted loss per share attributable to shareholders	(261,318)	285,038,925	(0.09)	(545,533)	284,017,394	(0.19)

10. Investments

	Investments		Total
	£		£
Cost			
At 1 January 2023	320,000		320,000
Disposal in year	(320,000)		(320,000)
At 31 December 2023	**-**	**-**	**-**
			10
Net book value			
As at 31 December 2022	-		-
As at 31 December 2023	**-**		**-**

On 1 December 2023 the Company disposed of its 51.05% shareholding in its former subsidiary Hyperneph Software Limited and also settled its dispute with their former shareholders. As the Company was released from any further liabilities it has released the previously recognised provision of £102,500.

The value of shares in investments are tested annually for impairment.

Subsidiaries as at 31 Dec 2023	Registered Address	Class of Shares	Total Number of Shares in issue at 31 Dec 2023	Percentage held by Catenai
Catenai Ltd (Subsidiary - Dormant)	20 Wenlock Road, London, N1 7GU	Ordinary Shares of £1	1	100%

11. Trade and other receivables

	2023	2022
	£	£
Trade receivables	7,800	61,734
Other receivables	9,492	13,011
	17,292	**74,745**

Trade receivable days at the year-end were 99 days (2022: 193 days). No interest is charged on receivables within the agreed credit terms. Thereafter, interest may be charged.

An allowance for impairment is made where there is an identified event which, based on previous experience, is evidence of a reduction in the recoverability of the outstanding amount. The Company provides, in full, for any debts it believes have become non- recoverable. The figures shown above are after deducting specific provision for bad and doubtful debts of £nil (2022: £nil). No amounts included within deducting specific provision for bad and doubtful debts of £nil (2022: £nil). No amounts included within trade and other receivables are expected to be recovered in more than one year (2022: £nil).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable set out above. The carrying value at the year-end for each class of assets is deemed by the Directors to be the same as the fair value.

The ageing of trade receivables that have not been impaired are:

	2023	2022
	£	£
Due in less than 1 month	7,800	61,734
Due after more than 1 month	-	-
	7,800	61,734

12. Trade and other payables

	2023	2022
	£	£
Trade payables	72,376	42,182
Other payables	8,221	144,473
Taxation and social security	16,166	6,097
Accruals and contract liabilities	223,872	115,756
	320,635	**308,508**

Included in accruals and deferred income are amounts of £123,250 (2022: £64,250) relating to unpaid contingent remuneration to the Directors in office at the year-end. This has been accrued in accordance with the payments agreed between the Company and Directors.

Included in contract liabilities there is £3,500 (2022: £3,125), which relates to the residual proportion of annual fees remaining at the year-end.

13. Loans and borrowings

	2023	2022
	£	£
Loans due within one year	131,000	-
Loans due after one year	-	-
	131,000	**-**

The Company received £131,000 short term convertible loans with and interest rate of 0%.

14. Financial instruments and risk management

Financial risk factors

The Company's financial instruments comprise cash, including short-term deposits, trade and other receivables, short-term loan financing and trade and other payables that arise directly from its operations. The main risks arising from the Company's financial instruments are liquidity risk, credit risk and interest rate risk. The Board has reviewed and agreed policies for managing each of these risks and they are summarised below. The Company has no financial assets other than trade receivables and cash at bank. The statement of financial position values for the financial assets and liabilities are not materially different from their fair values.

Liquidity risk

The Company seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company policy is to ensure there are sufficient cash reserves to meet liabilities during such periods. These are incorporated into rolling twelve-month Company cash flow forecasts, which are reviewed by the Board monthly.

Short-term flexibility is provided through the availability of cash facilities. Long-term funding is secured through issues of share capital and loans.

Credit risk

The Company's principal financial assets are bank balances, cash and trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. As far as possible, the Company operates to ensure that the payment terms of customers are matched to the Company's own contractual obligations on development.

Currency risk

The Company does not operate in overseas markets and is not subject to exposures on transactions undertaken during the year. The Company's exposure to exchange rate fluctuations is therefore not significant.

Capital risk management

The capital structure of the Company consists of a loan and the shareholders' equity, comprising issued share capital and reserves. The capital structure of the Company is reviewed on an on-going basis with reference to the costs applicable to each element of capital, future requirements of the Company, flexibility of capital to be drawn down and availability of further capital should it be required.

The Company had loan liabilities of £131,000 at the year-end (2022: £nil).

14. Financial instruments and risk management (continued)

Liability maturity analysis

2023	**Repayable on demand or within 1 month**	**Between 1 month and 6 months**	**Between 6 months and 1 year**
	£	**£**	**£**
Trade creditors	72,376	-	-
Other creditors	-	-	24,387
Loans and borrowings*	131,000	-	-

2022	**Repayable on demand or within 1 month**	**Between 1 month and 6 months**	**Between 6 months and 1 year**
	£	**£**	**£**
Trade creditors	42,182	-	-
Other creditors	-	-	150,570
Loans and borrowings	-	-	-

*The convertible loans facility was renewed in January 2024 for 12 months.

Interest rate and liquidity risk

The Company's financial liabilities represented trade payables and loan financing at the year-end. No interest was payable on the balances outstanding as at the year end. The Company's working capital commitments are reviewed on an on-going basis with reference to the dates when liabilities are to be repaid.

15. Share capital

	2023	**2022**
	£	**£**
Allotted, called up and fully paid		
285,038,925 (2022: 285,038,925) ordinary shares of 0.2p (2022: 0.2p) each	570,078	570,078
	570,078	**570,078**

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16. Share warrants

At 31 December 2023, the Company had the following equity settled warrants in issue (the number of warrants and exercise prices have been adjusted for the reorganisation of the Company's shares into ordinary and deferred shares during the year):

	Date warrant granted	**Number of warrants outstanding as at 1 Jan 2023**	**Warrants granted during the year**	**Shares forfeited / expired / waived / exercised during the year**	**Warrants outstanding as at 31 Dec 2023**	**Exercise price**
Misc. Warrants	27/01/2021	22,477,240	-	-	22,477,240	3p
	03/02/2021	2,500,000	-	-	2,500,000	2p
	08/04/2021	2,000,000	-	-	2,000,000	2.5p
		26,977,240	-	-	26,977,240	

There were no warrants issued in the year to 31 December 2023.

The fair value of the share warrants was estimated at the date of grant using the Monte-Carlo model for those with the performance conditions and the Black Scholes model for those without performance conditions, taking into account the terms and conditions upon which they were granted. The following tables list the inputs to the model used for the valuations of share warrants.

Grant Date	27/01/2021	08/04/2021
Final Date	27/01/2024	08/04/2024
Exercise Price	3p	2.5p
Share Price	0.0625p	0.0625p
Expected Volatility	81%	81%
Expected Dividend Yield	n/a	n/a
Risk Free Rate	0.07%	0.07%
Average Time to Vest	2.1 years	2.1 years

Grant Date	03/02/2021
Final Date	03/02/2024
Exercise Price	2p
Share Price	2p
Expected Volatility	25%
Expected Dividend Yield	n/a
Risk Free Rate	0.6%
Average Time to Vest	immediate

The total fair value of the warrants granted in the period was £nil (2022: £nil). The net charge recognised in the statement of comprehensive income for share warrants was £nil (2022: £nil).

17. Capital commitments

There were no capital commitments as of 31 December 2023 or 31 December 2022.

18. Share-based payment

On 27 March 2015, the Company granted to the Directors and other individuals options over a total of 85,787,000 ordinary shares of 0.1p each at a price of 1 penny per share as disclosed in the announcement dated 22 December 2014. Half of the options vest once the closing mid-market share price of the Company has been more than or equal to 2 pence for a period of 15 consecutive business days. The remainder vest once the closing mid- market share price of the Company has been more than or equal to 3 pence for a period of 15 consecutive days. The options are exercisable on or following the first anniversary of the date of issue and will lapse on the tenth anniversary of the date of issue. Options issued to non-Director employees under the EMI scheme lapse on cessation of employment. Since the issue date the options have lapsed, other than those shown in the bale below. In a prior period the Company re-organised its share capital. The above number of share options needs to be divided by 100 and the above exercise prices multiplied by 100.

Details of the Options are as follows:

	Options held at 1 Jan 2023	**Number of new options granted in the year**	**Number of options forfeited in the year**	**Options held at 31 December 2023**	**Option price**
Tony Sanders	66,666	-	-	66,666	10p
Kevin Everett	77,778	-	-	77,778	10p
Total	**144,444**	**-**	**-**	**144,444**	

At 31 December 2023, no options were exercisable due to the mid-market share price of the Company in the period (31 December 2022: nil). At this date, the weighted average contractual life of the outstanding options was 1.25 years (31 December 2022: 2.25 years).

There were no share options exercised during the year (2022: nil).

The fair value of the share options was estimated at the date of the grant using either the Monte-Carlo model (where market conditions existed) or the Black-Scholes model, taking into account the terms and conditions upon which they were granted.

The following table lists the inputs to the model used for the valuations of share options:

Options granted on 27 March 2015 expire 27 March 2025

2023		
Exercise price (pence)	1p	1p
Share price (pence)	0.65p	0.65p
Expected volatility (%)	85%	85%
Expected dividend yield	n/a	n/a
Risk free rate	0.41%	0.49%
Average time to vest (years)	2 years	2.3 years

18. Share-based payment (continued)

The expected volatility was based on historic volatility and reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome. No other features of the options were incorporated into the measurement of fair value, and non-market conditions have not been included in calculating the fair value. The total fair value of the options granted in the period was £nil (2022: £nil). The amount debited to the statement of comprehensive income for share options was £nil (2022: £nil). The combined total fair value of the options and warrants granted in the period was £nil (2022: £nil) and the combined amount debited to the statement of comprehensive income was £nil (2022: £nil).

19. Transactions with Directors and other related parties

Unpaid remuneration

As stated in note 12 to the accounts a total of £123,250 (2022: £64,250) is due to Directors as unpaid remuneration:

	2023	**2022**
Edward Guy Meyer	93,500	51,500
Brian Thompson	-	-
John Farthing	29,750	12,750
Total	**123,250**	**64,250**

Other transactions with Directors

Related Party relationship	**Transaction amount**		**Payments (to) / from related parties**		**Balance owing / owed**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
	£	**£**	**£**	**£**	**£**	**£**
Sales/(Purchases) from B.T.I.C. Limited	(840)	(18,058)	(840)	(18,058)	-	-

B.T.I.C. Limited, a Company incorporated in the England and Wales, in which Brain Thompson is a director and shareholder continues to provide insurance services to the Company.

All amounts owing to related parties are payable on demand with no interest accruing.

20. Retirement benefit schemes

During the year, £991 was paid to a retirement benefit scheme on behalf of Directors (2022: £3,643).

21. Operating lease rental commitments

At 31 December 2023 and 31 December 2022, the Company had no commitments under operating leases.

22. Notes supporting the cash flow statement

Cash and cash equivalents for the purposes of the cash flow statement comprises:

	2023		**2022**
	£		**£**
Cash available on demand	1,185		65,443
	1,185	**71,**	**65,443**

23. Events after the reporting period

On 5 March 2024 the name of the Company changed from Catenae Innovation PLC to Catenai PLC

On 27 March 2024 the Company issued 225,366,666 ordinary shares of 0.002 each for gross proceeds of £460,000 as well as the conversion of £216,100 of convertible loans.

On 2 April 2024 the Company issued 112,200,000 ordinary shares of 0.002 each for gross proceeds of £260,000 as well settling £56,600 of liabilities and £20,000 accrued director fees.

On 25 April 2024 the Company issued 12,000,000 warrants over new ordinary shares in the Company, exercisable at 0.3 pence per new ordinary share (the "Broker Warrants"), being the placing price in the fundraise announced on 12 March 2024. The Broker Warrants are exercisable for a period of three years from 12 March 2024.

The Company entered into an unsecured convertible loan note agreement with Klarian Limited to provide up to £450,000 in three tranches by way of subscription for loan notes issued by Klarian Limited. The Company has provided the 3 tranches of £150,000 each on 9 May 2024, 24 May 2024 and 27 June 2024.

Report of the independent auditors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CATENAI PLC

Opinion

We have audited the financial statements of Catenai Plc for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted International Financial Reporting Standards (IFRSs).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2023 and of the company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted International Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty relating to going concern

We draw attention to note 1 in the financial statements, which indicates that the company is loss making and has net liabilities. As stated in note 1, these events or conditions, along with the other matters as set forth in note1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the cash flow forecasts prepared by management for the period up to June 2025, providing challenge to key assumptions and reviewing for reasonableness;
- A comparison of actual results for the period to past budgets to assess the forecasting ability/accuracy of management;
- Reviewing post-period end RNS announcements and held discussions with management on expenditure plans; and
- Assessing the adequacy of going concern disclosures within the financial statements.

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

Key audit matters

We identified the key audit matter described below as that which was most significant in the audit of the financial statement of the current period. Key audit matters include the most significant assessed risks of material misstatement, including those risks that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team.

In addressing this matter, we have performed the procedures below which were designed to address the matter in the context of the financial statements as a whole and in forming our opinion thereon. Consequently, we do not provide a separate opinion on this individual matter.

Key audit matter	Description of risk	How the matter was addressed in the audit and key observations arising with respect to that risk
Going concern	The company has used going concern basis of preparation in its accounting policies. However, there is significant judgement required as to whether the company can continue to operate as a going concern.	We evaluated management's assessment about going concern and challenged the judgement made by management, as described in note 1. As part of our procedures we: • reviewed the company's environment, controls and management's assessment of the company's ability to continue as a going concern • reviewed the cashflow forecasts and assumptions made and the data sources Based on our procedures we concluded that the going concern basis of preparation is appropriate. (See also Conclusions relating to going concern above)

Materiality

The materiality for the financial statements as a whole was set at £11,775. This has been determined with reference to the benchmark of the company's gross expenses, which we consider to be an appropriate measure based on the activities of the company during the year. Materiality represents 3% of total expenditure as presented on the face of the Statement of comprehensive income.

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we were able to give our audit opinion on the financial statements of Catenai Plc taking into account the nature of the Company's activities, the Company's risk profile, the accounting processes and controls, and the environment in which the Company operates.

We designed our audit to ensure that we obtain sufficient and appropriate audit evidence in respect of:

- The significant transactions and balances;
- Other items, which, irrespective of size, are perceived as carrying a significant level of audit risk whether through susceptibility to fraud, or other reasons;
- The appropriateness of the going concern assumption used in the preparation of the financial statements.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns;

  or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

We also obtain sufficient appropriate audit evidence regarding the financial information of the 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.

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

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

- We determined the principal laws and regulations relevant to the Company and company in this regard to be those arising from:

- o AIM rules;
- o Companies Act 2006;
- o Employment Law;
- o Anti-Bribery Money Laundering Regulations; and
- o QCA compliance

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company and company with those laws and regulations. These procedures included, but were not limited to:
  o review of legal and professional fees to understand the nature of the costs and the existence o of any noncompliance with laws and regulations;
  o discussion with management regarding potential non-compliance; and
  o review of minutes of meetings of those charged with governance and RNS

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias was identified in relation to the going concern of the Company and company and as noted above, we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

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

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

Use of our report

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

Mohammed Haque

Senior Statutory Auditor

For and on behalf of

MAH, Chartered Accountants

Statutory Auditors

154 Bishopsgate

London

EC2M 4LN

Date: 27 June 2024

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