CATENAE INNOVATION

Annual Report & Financial Statements

Year Ended 30 September 2021

Company No. 04689130

Catenae Innovation Plc

Annual report and financial statements for the year ended 30 September 2021

Contents

***Catenae Innovation PLC** is referred to in this document as "Catenae", the " Group" or the "Company". Where the context so requires, references to the "Group" include and consolidate subsidiary companies of Catenae Innovation PLC. References to "Company" refer solely to Catenae Innovation PLC and exclude consolidation with the results of its subsidiary companies.*

Chairman’s Statement

Business and performance review

Catenae has had a trading year of mixed fortunes. The business, in the face of the continued pandemic, innovated its technologies and participated in various commercial projects across multiple sectors. We also engaged with the UK government in a consultation process about the proposed Digital Identity Policy which is ongoing.

In January, following an extensive review of the Company's organisational and security processes, the Company was awarded ISO 27001 after an audit on behalf of the International Standards Organisation (ISO). The Company was also awarded a Cyber Essentials accreditation. The Cyber Essentials scheme is operated on behalf of the National Cyber Security Centre (NCSC). In our sector, customers expect software providers to provide data management reassurance which these accreditations do.

During the year, the Company secured an initial contract with the Saxavord Space Port. This has developed into a more substantive and continuing engagement which the Directors anticipate will lead to further business results.

While we acknowledge that the commercial benefits from the acquisition of Hyperneph Software Ltd. have not materialised as promised, the board have taken a robust approach to remedying this.

The Company continued to manage its finances prudently to ensure business continuity, with a subscription in January 2021 that raised £1 million and over the year there were conversions of existing liabilities, issues of warrants and warrant exercises that resulted in a much improved balance sheet.

Finally, I would like to acknowledge our whole team for their commitment and tenacity in pursuing every opportunity to bring new business into the company.

Board changes

There were no board changes over the year.

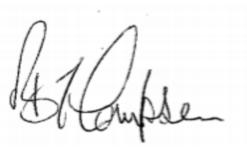
Financial Overview

The Company made a net loss for the year of £1,246,948 (2020: £769,186). Revenues for the year were £30,210 (2020: £14,948).

The Company has a statement of financial position at the year-end showing net assets of £381,926 (2020: £502,427).

Working capital and fund raisings

During the year, the Company issued 60,129,236 new ordinary shares for a total gross consideration of £1,192,386 of which £1,119,683 was received in cash and £72,704 to settle liabilities.



Brian Thompson
Chairman
28 September 2022

Board of Directors

Directors as at 28 September 2022

Brian Thompson, Non-Executive Chairman
appointed as Non-Executive Chairman 24 April 2020

Edward Guy Meyer, Chief Executive Officer
appointed as CEO 20 July 2020

John Farthing, Chief Financial Officer
appointed as CFO 24 April 2020

Company Secretary

John Farthing
appointed 31 August 2019

Company Information

Registered in England
Company no: 04689130

Auditors: MAH, Chartered Accountants

154 Bishopsgate, London EC2M 4LN

Nominated Adviser: Cairn Financial Advisers LLP

9th Floor, 107 Cheapside, London, EC2V 6DN

Brokers: Shard Capital Partners LLP

3rd Floor, 70 St Mary Axe, London, EC3A 8BE

Registrars: **Avenir Registrars Ltd**

5 St John's Lane, London EC1M 4BH

Registered office: Catenae Innovation Plc, 27 Old Gloucester Street, London WC1N 3AX

Trading Address: Catenae Innovation Plc, 26/27 Lansdowne Terrace, Newcastle NE3 1HP

Telephone: +44 (0)191 580 8545

Email: enquiries@catenaeinnovation.com

Website: www.catenaeinnovation.com

Strategic Report for the year ended 30 September 2021

Results and dividends

The results of the Company for the year are set out on page 14 of this report and show the loss for the year of £1,246,948 (2020: loss of £769,186) with total revenues of £30,210 (2020: £14,948). The Directors are unable to recommend the payment of a dividend (2020: nil).

Principal activities, review of business and future developments

A review of the year is held within the Chairman's Statement above. The Company offers its shareholders exposure to the digital media and fintech sectors. Catenae is a provider of financial technology and media publishing solutions utilising blockchain technologies.

Key performance indicators ("KPIs")

During the year, the key performance indicators for the Company's operations were the control of central costs against expected future benefits, along with revenues and contribution levels for all projects. As discussed in the Chairman's Statement, this year has seen a difficult year. The Board will continue to control costs and seek future profitability of each of the projects going forward.

Financial instruments and principal risks and uncertainties

The Company had £nil loans outstanding at the year-end (2020: £18,000). The Company's cash reserves during the year were held in bank current and deposit accounts. A detailed description of how the Company manages risks and uncertainty surrounding financial instruments, working capital, interest rates and liquidity is held in note 18 to the financial statements.

Events after the reporting period

Events after the reporting period are set out in note 27 to the financial statements.

Going concern

Whilst the Company has made a loss in the year, it had net assets of £381,926 (2020: net assets £502,427) at the year-end. The Board, therefore, feel it is appropriate to adopt the going concern basis in preparing the annual reports and accounts. There are risks and uncertainties surrounding the going concern assumption and these are fully discussed and disclosed in note 1 and 2 to the annual report and accounts.

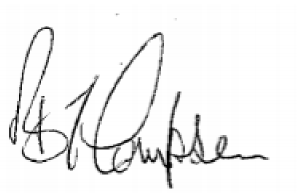
Directors’ s172 statement

As set out in Section 172 of the Companies Act 2006, the directors are required to act in ways that we consider, in good faith, would be likely to promote the success of the Company in the long term for the benefit of its members as a whole, its stakeholders ranging from its employees; customers; suppliers; lenders, local communities and the environment having regard to:

- Likely consequences of long-term decisions
- Interests of employees
- Relationships with customers and suppliers
- Impact of operations on the community and environment
- Maintaining high standards of business conduct
- The overall need to act fairly between stakeholders

With these in mind, the Group is managed for the benefit of all stakeholders. The Group has a policy to develop and embed a corporate culture of best practice and maintenance of high ethical standards to the benefit of all stakeholders and to engage with each as the Group evolves.

By order of the Board



Brian Thompson
Chairman
28 September 2022

Report of the Directors for the year ended 30 September 2021

The Directors present their report together with the audited financial statements for the year ended 30 September 2021.

Directors in the year

Brian Thompson, Non-Executive Chairman

Edward Guy Meyer, Chief Executive Officer

John Farthing, Chief Financial Officer

Substantial shareholdings

So far as the Company is aware and subject to any new notifications received after 28 September 2022, the following persons have a notifiable interest in the ordinary share capital of the Company (3 per cent or more of the Company's ordinary shares; please note percentages are rounded):

	Ordinary Shares held at 28 September 2022	
Brian William Thompson	31,319,579	(10.99%)
Anthony Leonard Daltrey	13,656,818	(4.79%)

Environmental matters

The nature of Catenae's business means that it is unlikely to be a major polluter but the Board is mindful of the potential impact on the environment of the Company's activities. The Board recognises its responsibility to the environment in areas such as energy management, paper usage, waste reduction and recycling, and communications.

Quoted Companies Alliance (QCA) Governance Code

The Board recognises the importance of good corporate governance and seeks to apply the QCA Code. Please see the Rule 26 page on our website for further details.

Communication with shareholders

London Stock Exchange notifications are the primary vehicles for communication with shareholders. The annual report and accounts and the interim statement at each half- year are also communicated to shareholders and are distributed to other parties who have expressed an interest in the Company's performance. The London Stock Exchange notifications and the Company results can be viewed on the Company website (www. Catenaeinnovation.com).

Each year shareholders are invited to an annual general meeting ("AGM"). The AGM is the main shareholder event of the year and provides an opportunity for shareholders to question the Directors.

Shareholders who have any queries relating to their shareholdings or to the affairs of Catenae generally are invited to contact the Company Secretary at the Company's registered address.

We publish all shareholder information including the AGM Notice of Meeting and Annual Report and Accounts on the Company website at www.catenaeinnovation.com/financial-reports. Reducing the number of communications sent by post not only results in cost savings to the Company but also reduces the impact that the unnecessary printing and distribution of reports has on the environment.

Board of Directors

The Board is responsible for formulating, reviewing and approving the Company's strategies, budgets, major items of capital expenditure and corporate actions.

Each Director has extensive and relevant business experience. Brief biographies of the Directors are set out below in this report. Non-executive directors are required to attend 10-12 Board Meetings per year in London and be available at other times as required for face-to-face and telephone meetings with the executive team.

The Board meets on a monthly basis. Meetings held in the year to 30 September 2021 and the attendance for the Directors who held office during the year is summarised below:

	Attendance	**Total Possible**
Brian Thompson	11	12
Edward Guy Meyer	11	12
John Farthing	11	12

The Company has a remuneration committee and an audit committee, both of which are chaired by the non-executive Chairman.

The Board believes that this is an appropriate structure for the Company at its current stage of development and that there is sufficient expertise within the Board to facilitate a sound decision-making process and control environment in the short-term.

Details of the remuneration of the Directors are included in note 6 of the financial statements. Future remuneration will be dependent on the growth of the Company.

Directors' profiles

Edward Guy Meyer, CEO

Guy ran his own cross-platform marketing agency, Firebelly, for nearly 20 years as CEO. Firebelly provided award-winning marketing strategies, content creation and execution services mainly in the entertainment and publishing sectors. Operating across traditional and digital media, he is experienced in business strategy formulation and sales & marketing. His clients included The Walt Disney Company, Harper Collins, Lionsgate, Paramount Pictures and Universal Pictures International. He sold Firebelly in 2013 to concentrate on business consulting where he worked globally, mainly with sales teams, helping them expand and accelerate their sales pipelines in verticals that included financial services, government and telecoms.

Brian Thompson, Non-Executive Chairman

Brian is an entrepreneur and is the founder owner of Newcastle-based B.T.I.C. Ltd, a successful business that has operated in the insurance industry since 1985. He is also a director of Third Eye Neurotech Ltd. Brian was appointed to the board on 24th April 2020.

John Farthing, Chief Financial Officer

John qualified as a Chartered Accountant in 1988. Following a career in stockbroking, John has experience working with both UK listed as well as private companies. John is also a Chartered Fellow of the Chartered Institute for Securities & Investment and a Liveryman of the Worshipful Company of World Traders. John was appointed to the board on 24th April 2020.

Financial instruments and principal risks and uncertainties

Financial instruments and principal risks and uncertainties are set out in the Strategic Report on page 3.

Events after the reporting period

Events after the reporting period are set out in note 27 to the financial statements.

Auditors

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant audit information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

MAH, Chartered Accountants expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the Annual General Meeting.

Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

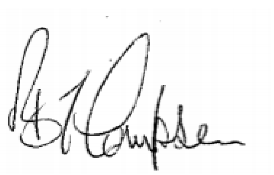
In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

By order of the Board



Brian Thompson
Chairman
28 September 2022

Report of the independent auditors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CATENAE INNOVATION PLC

Opinion

We have audited the financial statements of Catenae Innovation Plc for the year ended 30 September 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, Company Statement of Financial Position, Company Statement of Changes in Equity, Company 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards to the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group and company's affairs as at 30 September 2021 and of the group's loss for the year then ended;
- the group and company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

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 SME listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. 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 September 2023, providing challenge to key assumptions and reviewing for reasonableness;
- A comparison of actual results for the year to past budgets to assess the forecasting ability/accuracy of management;
- Reviewing post-year end RNS announcements and held discussions with management on expenditure plans; and
- Assessing the adequacy of going concern disclosures within the financial statements.

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 entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Key audit matters

We identified the key audit matters described below as that which were the most significant in the audit of the financial statements 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 • considered the impact of Coronavirus (COVID-19) Based on our procedures we concluded that the going concern basis of preparation is appropriate. (See also Conclusions relating to going concern above)
Acquisition and dispute involving subsidiary The parent company has acquired Hyperneph Software Limited and prepared consolidated accounts. There are audit risks that the acquisition was not accounted for correctly, that the subsidiary should not have been consolidated and that goodwill has not been correctly valued. In addition the dispute may not have been correctly accounted for or disclosed	Our work in this area included but was not limited to: • Reviewing the sale and purchase agreement for investments purchased during the period; • Agreeing the level of consideration to supporting documentation, including the valuation of any deferred or contingent consideration; • Assessing the fair value of the identifiable assets and liabilities of the subsidiaries acquired; • Reviewing management's accounting treatment and policy applied for each acquisition to ensure it is in accordance with IFRS. • Reviewing calculations of goodwill occurring on the acquisition and ensuring recognition is in accordance with IFRS; • Considering whether there are indications of impairment in the value of the investment acquired during the period • Reviewing the legal case documentation and correspondence and considering whether any provisions or contingent liabilities are required and whether the nature and financial effect has been adequately disclosed

Materiality

The materiality for the financial statements as a whole was set at £22,600. 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 2.5% 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 Catenae Innovation 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 Group 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 group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and the application of cumulative audit knowledge and experience of the sector.

- We determined the principal laws and regulations relevant to the group 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 group 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 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 group 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.

MHaque

Mohammed Haque
Senior Statutory Auditor

For and on behalf of
MAH Chartered Accountants

Statutory Auditors
154 Bishopsgate
London
EC2M 4LN

Date: 28 September 2022

Consolidated statement of comprehensive income for the year ended 30 September 2021

	Note	2021 £	2020 £
Revenue	3	**30,210**	**14,948**
Cost of sales		(14,400)	-
Gross profit		**15,810**	**14,948**
Administrative expenses	5	(939,027)	(759,108)
Impairment losses		(318,629)	-
Loss from operations		**(1,241,846)**	**(744,160)**
Net finance expense	7	10	(25,026)
Loss before taxation		**(1,241,836)**	**(769,186)**
Taxation	9	(5,112)	-
Loss from continuing operations		**(1,246,948)**	**(769,186)**
Total comprehensive loss for the year		**(1,246,948)**	**(769,186)**
Loss attributable to:			
Owners of the parent		(1,257,149)	(769,186)
Non-controlling interest		10,201	-
		(1,246,948)	**(769,186)**
Basic and diluted loss per share (pence)	11	**(0.49)**	**(0.65)**

The notes on pages 21 to 43 form part of these financial statements.

Consolidated Statement of financial position at 30 September 2021

	Note	2021 £	2020 £
Non-current assets			
Property, plant and equipment	12	6,828	-
Intangible assets	13	1	1
		6,829	**1**
Current assets			
Trade and other receivables	15	45,236	20,604
Cash and other equivalents		605,082	714,043
		650,318	**734,647**
Current liabilities			
Trade and other payables	16	(275,221)	(214,221)
Interest bearing loans	17	-	-
		(275,221)	**(214,221)**
Non current liabilities			
Interest bearing loans	17	-	(18,000)
Total liabilities		**(275,221)**	**(232,221)**
Net assets / (liabilities)		**381,926**	**502,427**
Capital and reserves			
Ordinary share capital	19	562,441	442,183
Deferred share capital	19	3,159,130	3,159,130
Share premium account		19,657,821	18,652,949
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		(36,778,140)	(35,520,991)
Capital and reserves attributable to the owners of Catenae Innovation Plc		370,408	502,427
Non-controlling interest		11,518	-
Total equity		381,926	502,427

The financial statements were approved by the Board and authorised for issue on 28 September 2022

Brian Thompson
Chairman

The notes on pages 21 to 43 form part of these financial statements.

Consolidated statement of cash flows for the year ended 30 September 2021

Cash flow from operating activities	Note	2021 £	2020 £
Loss for the year		**(1,246,948)**	**(769,186)**
Adjustments for:			
Impairment of investment		318,629	-
Net bank and other interest charges		(10)	25,026
Services settled by the issue of shares		72,704	-
Issue of share options and warrants charge		-	-
Net cash outflow before changes in working capital		**(855,625)**	**(744,160)**
(Increase)/Decrease in trade and other receivables		(24,633)	(2,344)
(Decrease) / Increase in trade and other payables		(112,896)	(62,210)
Cash outflow from operations		**(993,154)**	**(808,714)**
Interest received		10	28
Interest paid		-	(25,054)
Net cash flows from operating activities		(993,144)	(833,740)
Investing activities			
Investment in subsidiary		(217,500)	-
Net cash flows from investing activities		(217,500)	-
Financing activities			
Issue of ordinary share capital		1,119,683	1,481,855
Repayment of loan		(18,000)	(96,580)
New loans raised		-	133,000
Net cash flows from financing activities		**1,101,683**	**1,518,275**
Net (decrease) / increase in cash		**(108,961)**	**684,535**
Cash and cash equivalents at beginning of year		714,043	29,508
Cash and cash equivalents at end of year		**605,082**	**714,043**

During the year £72,704 of trade and other payables and loans were converted into equity in non-cash transactions.

The notes on pages 21 to 43 form part of these financial statements.

Consolidated statement of changes in equity for the year ended 30 September 2021

	Share Capital	Share Premium	Deferred Shares / Shares to be issued	Other Reserves	Retained Earnings	Non-controlling interest	Total Equity
	£	£	£	£	£	£	£
Balance at 30 Sept 2019	**3,223,601**	**17,031,971**	**-**	**13,769,156**	**(34,751,805)**	**-**	**(727,077)**
Loss for the year	-	-	-	-	(769,186)	-	(769,186)
Capital Reduction	(3,159,130)	-	3,159,130	-	-	-	-
Share capital issued	377,712	1,683,978	-	-	-	-	2,061,690
Share issue costs	-	(63,000)	-	-	-	-	(63,000)
Balance at 30 Sept 2020	442,183	18,652,949	3,159,130	13,769,156	(35,520,991)	-	502,427
Loss for the year	-		-	-	(1,257,149)	10,201	(1,246,948)
Non-controlling share of net assets on acquisition	-	-	-	-	-	1,317	1,317
Share capital issued	120,258	1,073,452	-	-	-	-	1,193,710
Share issue costs	-	(68,580)	-	-	-		(68,580)
Balance at 30 Sept 2021	**562,441**	**19,657,821**	**3,159,130**	**13,769,156**	**(36,778,140)**	**11,518**	**381,926**

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

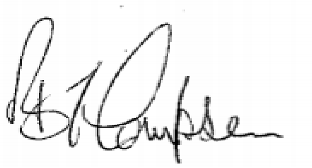
The notes on pages 21 to 43 form part of these financial statements.

Company statement of financial position at 30 September 2021

	Note	2021	2020
		£	£
Non-current assets			
Intangible assets		1	1
Investments	14	-	-
		1	**1**
Current assets			
Trade and other receivables	15	45,236	20,604
Cash and other equivalents		539,842	714,043
		585,078	**734,647**
Current liabilities			
Trade and other payables	16	(226,659)	(214,221)
Interest bearing loans	17	-	-
		(226,659)	**(214,221)**
Non current liabilities			
Interest bearing loans	17	-	(18,000)
Total liabilities		**(226,659)**	**(232,221)**
Net assets / (liabilities)		**358,420**	**502,427**
Capital and reserves			
Ordinary share capital	19	562,441	442,183
Deferred share capital	19	3,159,130	3,159,130
Share premium account		19,657,821	18,652,949
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		(36,790,128)	(35,520,991)
Shareholders' funds		358,420	502,427

Catenae Innovation Plc has taken advantage of s408 of Companies Act 2006 and has not included its own profit and loss account in the financial statements. The Company's loss for the year after tax was £1,269,137 (2020: £769,186).

The financial statements were approved by the Board and authorised for issue on 28 September 2022



Brian Thompson
Chairman

The notes on pages 21 to 43 form part of these financial statements.

Company statement of cash flows for the year ended 30 September 2021

Cash flow from operating activities	Note	2021 £	2020 £
Loss for the year		**(1,269,137)**	**(769,186)**
Adjustments for:			
Impairment of investment		320,000	-
Net bank and other interest charges		(10)	25,026
Services settled by the issue of shares		72,704	-
Issue of share options and warrants charge		-	-
Net cash outflow before changes in working capital		**(876,443)**	**(744,160)**
(Increase)/Decrease in trade and other receivables		(24,633)	(2,344)
(Decrease) / Increase in trade and other payables		(157,318)	(62,210)
Cash outflow from operations		**(1,058,394)**	**(808,714)**
Interest received		10	28
Interest paid		-	(25,054)
Net cash flows from operating activities		(1,058,384)	(833,740)
Investing activities			
Investment in subsidiary		(217,500)	-
Net cash flows from investing activities		(217,500)	-
Financing activities			
Issue of ordinary share capital		1,119,683	1,481,855
Repayment of loan		(18,000)	(96,580)
New loans raised		-	133,000
Net cash flows from financing activities		**1,101,683**	**1,518,275**
Net (decrease) / increase in cash		**(174,201)**	**684,535**
Cash and cash equivalents at beginning of year		714,043	29,508
Cash and cash equivalents at end of year		**539,842**	**714,043**

During the year £72,704 of trade and other payables and loans were converted into equity in non-cash transactions.

The notes on pages 21 to 43 form part of these financial statements.

Company statement of changes in equity for the year ended 30 September 2021

	Share Capital	Share Premium	Deferred Shares / Shares to be issued	Other Reserves	Retained Earnings	Total Equity
	£	£	£	£	£	£
Balance at 30 Sept 2019	**3,223,601**	**17,031,971**	**-**	**13,769,156**	**(34,751,805)**	**(727,077)**
Loss for the year	-	-	-	-	(769,186)	(769,186)
Capital Reduction	(3,159,130)	-	3,159,130	-	-	-
Share capital issued	377,712	1,683,978	-	-	-	2,061,690
Share issue costs	-	(63,000)	-	-	-	(63,000)
Balance at 30 Sept 2020	442,183	18,652,949	3,159,130	13,769,156	(35,520,991)	502,427
Loss for the year	-		-	-	(1,269,137)	(1,269,137)
Capital Reduction	-	-	-	-	-	-
Share capital issued	120,258	1,073,452	-	-	-	1,193,710
Share issue costs	-	(68,580)	-	-	-	(68,580)
Balance at 30 Sept 2021	**562,441**	**19,657,821**	**3,159,130**	**13,769,156**	**(36,790,128)**	**358,420**

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

The notes on pages 21 to 43 form part of these financial statements.

Notes to the consolidated financial statements for the year ended 30 September 2021

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

Catenae Innovation Plc is incorporated in the United Kingdom with registration number 04689130. Catenae Innovation 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.

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

Catenae Innovation Plc's financial statements are presented in Pounds Sterling.

1. Principal accounting policies

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

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively 'IFRSs') as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Basis of preparation and consolidation

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The Group and separate parent company financial statements have been prepared under the historic cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

The Group financial statements consolidate those of the Company and of its subsidiary undertakings drawn up to 30 September 2021. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The trading results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-Group transactions, balances, income and expenditure are eliminated on consolidation.

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 Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements. In addition, note 18 to the financial statements includes the Group'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 asset position as at 30 September 2021, being the Group's financial year-end, was £381,926. Subsequent to the reporting date, the Board has been able to agree additional funding in the form of a convertible loan for £250,000 from Sanderson Capital Partners Ltd.

The Directors note that the World Health Organisation declared a pandemic relating to COVID-19 on 11 March 2020, and social distancing measures were introduced in the UK during March 2020. The Directors have assessed the impact of incorporating additional COVID-19 risk factors in the Going Concern assessment over a period of 18 months after the signing of these financial statements.

Key assumptions considered by management when assessing going concern include adjusting management best estimate of forecasted performance for factors including the length and extent of current lockdown restrictions ease and utilisation of relevant government support schemes. These have been estimated for their respective impacts on the Group's revenues, fixed and variable cost and resultant expected cash flow requirements.

The Group's forecasts and projections, taking into account reasonable estimate of a possible downturn in trading performance arising from the COVID-19 outbreak, show that the Group has sufficient financial resources for the going concern period. The Group does not believe that the COVID-19 outbreak represents a material uncertainty about the entity's ability to continue as a going concern. Accordingly, the Directors have adopted the going concern basis in preparing these consolidated financial statements.

Revenue recognition

The Group 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 Group's performance, as the Group performs. The Group 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 Group'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

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.

Business combinations and goodwill

The Group accounts for business combinations using the acquisition method when control is transferred to the Group.. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the consolidated statement of profit or loss as incurred. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in consolidated statement of profit or loss immediately.

Property, plant and equipment

Plant, machinery, fixtures and fittings are stated at historical cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the reducing balance method, on the following bases:

Plant and machinery - 20 per cent per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Impairment of non-current assets

For the purposes of assessing impairment, assets are grouped into separately identifiable cash-generating units. At the end of each reporting period, the Group 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.

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.

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. The Group has not elected to apply equity method of accounting to investments in associates.

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.
- *Non-controlling interest* relates to the ownership interest and accumulated comprehensive income of the minority shareholders in the Group's subsidiaries.

Equity instruments

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

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 Group 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 Group applies the simplified approach in calculating Expected Credit Losses ("ECL's"), as permitted by IFRS 9. Therefore, the Group 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 Group 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 Group's historical experience and informed credit assessment including forward-looking information.

Financial liabilities

Financial liabilities are recognised when, and only when, the Group 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 Group'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 Group 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 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 Group

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

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

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:

IFRS 17 “Insurance Contracts”, effective date 1 January 2023 applies a model that combines a current balance sheet measurement of insurance contracts with recognition of profit over the period that services are provided.

IAS 37 “Onerous contracts", effective 1 January 2022 relates to costs of fulfilling a contract.

The impact of the above standards on the financial statements is expected to be insignificant. The effect of all other new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to be material. The Directors will continue to monitor the effect of this and should the effect become material, more detailed notes will be provided.

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 Group's accounting policies

In the process of applying the Group'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 Group 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 Group has one reportable segment:

Catenae and Hyperneph Software Ltd –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 Group derives revenue from the transfer of services over time and at a point in time to customers all located in the UK.

	2021	2020
	£	£
Timing of revenue recognition:		
At a point in time	30,210	14,948
Over time	-	-
Total revenue	30,210	14,948

4. Joint venture – Trust in Media

In March 2018, the Group formed a joint venture to create Trust in Media. Catenae held 50.5% of the shares in Trust in Media.

The company entered compulsory liquidation on 29 July 2020 when the official receiver was appointed.

The official receiver completed the winding-up on 13 September 2021 without any claim on the Group and Trust in Media Ltd was dissolved on 20 December 2021.

5. Administrative expenses

The following amounts are included within administrative expenses:

	2021	2020
	£	£
Auditors' remuneration:		
Fees payable to the Company's auditor:		
For the audit of the Company's annual accounts	14,000	14,000
For the audit of the Company's subsidiaries	6,000	-
Fees for taxation compliance services	-	1,000
Staff costs (note 6)	311,380	248,575
Depreciation	621	-

6. Directors and staff

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

	2021 £	2020 £
Wages and salaries	283,789	235,916
Social security costs	25,279	10,764
Pension costs	2,312	1,895
	311,380	248,575

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

	2021 no.	2020 no.
Sales, distribution and technology	2	1
Directors and administration	5	3
	7	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:

	2021 £	2020 £
Edward Guy Meyer	139,000	97,500
Kevin Everett	-	13,025
Anthony Flynn	-	4,125
Brian Thompson	16,000	10,000
John Farthing	52,000	23,420
Total Directors emoluments	207,000	148,070
Employers national insurance, employers pension and share option / warrant charges for key management personnel (including directors)	26,560	16,172
	233,560	**164,242**

Details of the total amounts outstanding to the Directors at the period end are detailed in note 16.

7. Net finance expenses

	2021 £	2020 £
Bank interest receivable	10	28
Other interest payable	-	(586)
Loan Interest payable	-	(24,468)
	10	**(25,026)**

8. Discontinued operations

There were no discontinued operations during the year.

9. Tax on loss

	2021 £	2020 £
Corporation tax charge on profits for the period	5,112	-
Total current tax charge	**5,112**	**-**

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the UK applied to profits for the year are as follows:

	2021 £	2020 £
Loss before tax	(1,241,836)	(769,186)
Loss at the standard rate of corporation tax in the UK of 19% (2020: 19%)	(235,949)	(146,145)
Effects of:		
Expenses not deductible for tax purposes	186	8,193
Other adjustments	67,194	-
Unutilised tax losses and other deductions	173,681	137,952
Total tax charge in the year	5,112	-

Deferred tax assets of approximately £2.8m (2020: £2.7m) 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 Group has unutilised tax losses of approximately £14.8m (2020: £13.9m) that would be available to carry forward against future profits from the same activity, subject to agreement by HM Revenue & Customs.

10. Dividend

No dividends have been paid or proposed in the year (2020: £nil).

11. 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 164,444 share options and 70,022,695 share warrants outstanding at the year-end (2020: 1,621,911 and 46,154,769). However, the figures for 2021 and 2020 have not been adjusted to reflect conversion of these share options, as the effects would be anti- dilutive.

			2021			2020
	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	(1,257,149)	258,490,041	(0.49)	(769,186)	118,441,725	(0.65)

12. Property, plant and equipment

Group	Plant and machinery £	Total £
Cost		
At 1 October 2019 and 2020	-	-
On acquisition of subsidiary	6,522	6,522
Additions	2,111	2,111
At 30 September 2021	**8,633**	**8,633**
Accumulated depreciation		
At 1 October 2019 and 2020	-	-
On acquisition of subsidiary	1,184	1,184
Charge for the year	621	621
At 30 September 2021	**1,805**	**1,805**
Carrying amount		
As at 30 September 2021	6,828	6,828
As at 30 September 2020	-	-

13. Intangible assets

Group	Goodwill £	Total £
Cost		
At 1 October 2019 and 2020	1	1
Additions in year	318,629	318,629
Impairment	(318,629)	(318,629)
At 30 September 2020 and 2021	**1**	**1**
Carrying amount		
As at 30 September 2020 and 2021	1	1

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. The assets have been allocated for impairment testing purposes to the individual businesses acquired which are also the cash-generating units ("CGU") identified. The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by the Directors. The projections are based on the assumption that the Company can realise projected sales. A prudent approach has been applied with no residual value being factored into these calculations. If the projected sales do not materialise there is a risk that the total value of the intangible assets shown above would be impaired.

Goodwill is assessed annually for impairment. At the period end based on these assumptions there is an indication of impairment of the full value of goodwill.

On 4 May 2021 the Group entered into an agreement to purchase 51% of the equity interests of Hyperneph Software Ltd. Refer to Note 27 for further details of the acquisition.

There is no consideration allocated to the fair value of the net identifiable assets and liabilities acquired resulting in goodwill of £318,629 for intangible assets that do not qualify for separate recognition. The goodwill includes customer loyalty, staff know how, reputation and relationships with contractors and suppliers. The goodwill has not currently been treated as being expected to be tax deductible.

Details of the fair value of identifiable assets and liabilities acquired and goodwill as at 4 May 2021 are as follows, measuring non controlling interests under the "proportionate interest method":

	Book Value £	**Adjustment** £	**Fair value** £
Intangible fixed assets	-	-	-
Tangible fixed assets	5,338	-	5,338
Financial assets	-	-	-
Trade and other receivables	15,000	-	15,000
Cash	24,155	-	24,155
Trade and other payables	(41,805)	-	(41,805)
Borrowings	-	-	-
Total net assets	2,688	-	2,688
Non controlling interests			(1,317)
Goodwill			318,629
Fair value of consideration			320,000

13. Intangible assets (continued)

Acquisition-related costs were £35,025 and were recognised as expenses in the period within administrative expenses.

The amount of the non-controlling interest in the acquiree recognised at the acquisition date was £1,317 and was measured using the 'proportionate interest method'.

£5,208 of revenue and £35,778 losses of the acquiree (net of intercompany eliminations) since the acquisition date have been included in the consolidated statement of income for the period.

It is not possible to calculate the combined entity's revenue and loss if the acquisition had occurred at the start of the period due to the acquiree's long period of accounts which straddled the Group's prior year end.

14. Investments in subsidiaries

Company

	Investments £	Total £
Cost		
At 1 October 2019 and 2020	-	-
Additions in year	320,000	320,000
Impairment	(320,000)	(320,000)
At 30 September 2020 and 2021	-	-
Carrying amount		
As at 30 September 2020 and 2021	-	-

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

Subsidiaries as at 30 Sept 2021	Registered Address	Class of Shares	Total Number of Shares in issue at 30 Sept 2021	Percentage held by Catenae
Synovate Global Ltd	35 New Broad Street, London, EC2M 1NH	Ordinary Shares of 0.1p	1	100%
Hyperneph Software Ltd	1007 London Road, Leigh-On-Sea SS9 3JY	Ordinary Shares of 0.1p	2000	51%

Synovate Global Ltd was dissolved on 7 June 2022.

15. Trade and other receivables

Group and Company

	2021	2020
	£	£
Trade receivables	11,010	4,284
Other receivables	34,226	16,320
	45,236	**20,604**

Trade receivable days at the year-end were 133 days (2020: 105 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 Group 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 (2020: £nil). No amounts included within trade and other receivables are expected to be recovered in more than one year (2020: £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:

	2021	2020
	£	£
More than 29 days	11,010	4,284
	11,010	4,284

16. Trade and other payables

Group

	2021	2020
	£	£
Trade payables	86,193	137,813
Other payables	122,482	4,284
Taxation and social security	23,701	455
Accruals and contract liabilities	42,845	71,669
	275,221	**214,221**

Included in accruals and deferred income are amounts of £6,500 (2020: £34,250) 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 Group and Directors.

Included in contract liabilities there is £12,000 (2020: £6,250), which relates to the residual proportion of annual fees remaining at the year-end.

16. Trade and other payables (continued)

Company

	2021	2020
	£	£
Trade payables	83,492	137,813
Other payables	105,102	4,284
Taxation and social security	1,470	455
Accruals and contract liabilities	36,595	71,669
	226,659	**214,221**

Included in accruals and deferred income are amounts of £6,500 (2020: £34,250) 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 £6,250 (2020: £6,250), which relates to the residual proportion of annual fees remaining at the year-end.

17. Interest bearing loans and borrowings

Group and Company

	2021	2020
	£	£
Loans due within one year	-	-
Loans due after one year	-	18,000
	-	**18,000**

The loan £18,000 was a Bounce Back Loan and was due to be repaid over 6 years with interest at 2.5% per year, with the repayments and interest commencing 1 year after draw down. However, the loan was repaid in full in May 2021 without any interest accruing.

18. Financial instruments and risk management

Financial risk factors

The Group'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 Group'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 Group 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 Group seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group policy is to ensure there are sufficient cash reserves to meet liabilities during such periods. These are incorporated into rolling twelve-month Group 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.

18. Financial instruments and risk management (continued)

Credit risk

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

Currency risk

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

Capital risk management

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

The Group had no loan liabilities at the year-end (2020: £18,000).

Liability maturity analysis

Group

2021	**Repayable on demand or within 1 month**	**Between 1 month and 6 months**	**Between 6 months and 1 year**
	£	£	£
Trade creditors	86,193	-	-
Other creditors	-	-	146,183
Interest bearing loans	-	-	-

2020	**Repayable on demand or within 1 month**	**Between 1 month and 6 months**	**Between 6 months and 1 year**
	£	£	£
Trade creditors	137,813	-	-
Other creditors	4,284	-	-
Interest bearing loans (£18,000 due within 6 years but repaid early 8 months after year end)	-	-	-

18. Financial instruments and risk management (continued)

Liability maturity analysis (continued)

Company

2021	Repayable on demand or within 1 month	Between 1 month and 6 months	Between 6 months and 1 year
	£	£	£
Trade creditors	83,492	-	-
Other creditors	-	-	106,572
Interest bearing loans	-	-	-

2020	Repayable on demand or within 1 month	Between 1 month and 6 months	Between 6 months and 1 year
	£	£	£
Trade creditors	137,813	-	-
Other creditors	4,284	-	-
Interest bearing loans (£18,000 due within 6 years but repaid early 8 months after year end)	-	-	-

Interest rate and liquidity risk

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

19. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid 281,220,744 (2020: 221,091,508) ordinary shares of 0.2p (2020: 0.2p) each	562,441	442,183
	562,441	**442,183**

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On 23 December 2019 the 3,223,601,700 ordinary shares of 0.1p each were subdivided into 32,236,017 ordinary shares of 0.2p each and 32,236,017 deferred shares of 9.8p each.

The aggregate nominal value of the deferred shares is £3,159,130.

20. Share warrants

At 30 September 2021, 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 Oct 2020	Warrants granted during the year	Shares forfeited / expired / waived / exercised during the year	Warrants outstanding as at 30 Sept 2021	Exercise price
Edward Guy Meyer	31/01/2020	2,000,000	-	(2,000,000)	-	0.4p
Brian Thompson	31/01/2020	26,931,818	-	-	26,931,818	0.4p
Anthony Daltrey	31/01/2020	5,000,000	-	-	5,000,000	0.4p
Misc. Warrants	03/08/2016	267,075	-	(267,075)	-	125p
	03/08/2016	267,075	-	(267,075)	-	175p
	23/08/2016	287,582	-	(287,582)	-	125p
	23/08/2016	287,582	-	(287,582)	-	175p
	05/03/2019	5,750,000	-	-	5,750,000	12.5p
	31/01/2020	4,363,637	-	-	4,363,637	0.4p
	20/04/2020	1,000,000	-	-	1,000,000	1.25p
	27/01/2021	-	26,200,000	(3,722,760)	22,477,240	3p
	27/01/2021	-	2,500,000	-	2,500,000	2p
	08/04/2021	-	2,000,000	-	2,000,000	2.5p
		46,154,769	30,700,000	(6,832,074)	70,022,695	

On 27 January 2021, the Company issued warrants to placing investors and conversion over a total of 26,200,000 ordinary shares at an exercise price of 3p which may be exercised up to two years from the date of issue. In addition, warrants over 2,500,000 shares were issued at 2p which may be exercised up to 3 years. On 8 April 2021, 2,000,000 warrants were issued at 2.5p which may be exercised up to 2 years.

20. Share warrants (continued)

The fair value of the share warrants issued as share based payments 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.

The warrants granted in year ended 30 September 2021 related to subscription and conversion warrants issued alongside certain shares issued during the year.

Grant Date	5/4/2019
Final Date	5/4/2022
Exercise Price	0.125p
Share Price	0.1p
Expected Volatility	98%
Expected Dividend Yield	n/a
Risk Free Rate	1.49%
Average Time to Vest	1 years

Grant Date	3/2/2021
Final Date	3/2/2024
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 approximately £2,000 (2020: £nil) but has not been deemed to be material and so has not been recognised . The net charge recognised in the statement of comprehensive income for share warrants was £nil (2020: £nil).

21. Capital commitments

There were no capital commitments as of 30 September 2021 or 30 September 2020.

22. Share-based payment

On 15 August 2011, the Company granted to the Directors and other individuals options over a total of 19,500,000 ordinary shares of 0.1p each, at a price of 1 penny per share as disclosed in the announcement dated 16 August 2011. 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 7,500,000 options have lapsed.

22. Share-based payment (continued)

On 13 December 2012, the Company granted to various individuals options over a total of 7,695,000 ordinary shares of 0.1p each at a price of 1.5 pence per share as disclosed in the announcement dated 14 December 2012. 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 employees under the EMI scheme lapse on cessation of employment. Since the issue date 5,695,000 options have lapsed.

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 19,190,000 options have lapsed.

On 23 August 2016, the Company granted to the Directors and other individuals options over a total of 78,260,782 ordinary shares of 0.1p each at a price of 0.1 pence per share as disclosed in the announcement dated 23 August 2016. The options will lapse on the tenth anniversary of the date of issue. On 23 August 2016, the Company also granted to a Director options over a total of 3,333,334 ordinary shares of 0.1p each, half of the options at a price of 1.25 pence per share and the remainder at 1.75 pence per share. The options vest once the closing mid-market share price of the Company has been more than 2.5 pence for a period of 5 consecutive business days. The options will lapse on the fifth anniversary of the date of issue.

Details of the Options are as follows:

	Options held at 1 October 2020	Number of new options granted in the year	Number of options forfeited in the year	Options held at 30 September 2021	Option price
Tony Sanders	153,520	-	153,520	-	100p
	66,666	-	-	66,666	10p
	16,666	-	16,666	-	125p
	16,666	-	16,666	-	175p
Kevin Everett	35,820	-	35,820	-	100p
	77,778	-	-	77,778	10p
Others	596,630	-	596,630	-	100p
	20,000	-	-	20,000	150p
	638,165	-	638,165	-	100p
Total	**1,621,911**	**-**	**1,457,467**	**164,444**	

22. Share-based payment (continued)

At 30 September 2021, no options were exercisable due to the mid-market share price of the Company in the period (30 September 2020: nil). At this date, the weighted average contractual life of the outstanding options was 0.1 years (30 September 2020: 1.1 years).

There were no share options exercised during the year (2020: 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 15 August 2011 lapsed 15 August 2021	
Weighted average share price (pence)	0.95p
Weighted average exercise price (pence)	1p
Option life (years)	1
Risk free interest rate (%)	2
Dividend yield	0
Volatility (%)	60

Options granted on 13 December 2012 expire 13 December 2022	
Weighted average share price (pence)	0.7p
Weighted average exercise price (pence)	1.5p
Option life (years)	1
Risk free interest rate (%)	2
Dividend yield	0
Volatility (%)	60

Options granted on 27 March 2015 expire 27 March 2025		
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

Options granted on 23 August 2016 expire 23 August 2026	
Exercise price (pence)	0.1p
Share price (pence)	0.625p
Expected volatility (%)	91%
Expected dividend yield	n/a
Risk free rate	1.33%
Average time to vest (years)	10 years

Options granted on 23 August 2016 lapsed 23 August 2021		
Exercise price (pence)	1.25p	1.75p
Share price (pence)	0.625p	0.625p
Expected volatility (%)	91%	91%
Expected dividend yield	n/a	n/a
Risk free rate	0.07%	0.07%
Average time to vest (years)	2 years	2 years

22. 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 (2020: £nil). The amount debited to the statement of comprehensive income for share options was £nil (2020: £nil). The combined total fair value of the options and warrants granted in the period was £nil (2020: £nil) and the combined amount debited to the statement of comprehensive income was £nil (2020: £nil).

23. Transactions with Directors and other related parties

Other transactions with Directors

As stated in note 16 to the accounts a total of £6,500 (2020: £34,250) is due to certain Directors as unpaid remuneration.

During the prior year, Brian Thompson provided loans to the Group, both before and after his appointment as a director. These loans were fully repaid by the end of the year.

Related Party relationship	Transaction amount		Payments (to) / from related parties		Balance owing / owed	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Sales/(Purchases) from companies in which Directors or their immediate family have a significant controlling interest	17,800	12,880	17,800	12,880	-	-
Amounts lent to the Group by the Directors or companies in which Directors or their immediate family have a significant controlling interest	-	-	-	(18,426)	-	11,222
Amounts lent to joint venture companies	-	-	-	-	-	-

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

24. Retirement benefit schemes

During the year, £1,207 was paid to a retirement benefit scheme on behalf of Directors (2020: £928).

25. Operating lease rental commitments

At 30 September 2021 and 30 September 2020, the Group had no commitments under operating leases.

26. Notes supporting the cash flow statement

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

	2021	2020
	£	£
Cash available on demand	605,082	714,043
	605,082	**714,043**

27. Events after the reporting period

On 16 October 2020, the Company agreed to issue warrants over 12,000,000 new ordinary shares in the Company, including 10,000,000 to a related party of BHA-Medical (Pty) Limited. The Warrants will be exercisable at a price of 2.5 pence per ordinary share and will vest with immediate effect from the date of grant and may be exercised for a period of up to 2 years from issue.

On 16 February 2022, the Company ended this joint venture agreement and no warrants were issued.

On 4 May 2021 the Company acquired a 51% interest in Hyperneph Software Limited ("Hyperneph" or "Acquisition"). Tony Sanders is a former director of the Company and a director and shareholder of Hyperneph. The consideration for the Acquisition amounts to £320,000, of which £270,000 will be satisfied in cash ("Cash Consideration") and the balance of £50,000 will be satisfied by way of the issue of new ordinary shares in the Company ("Equity Consideration"). Hyperneph, incorporated on 24 February 2020, is a software and application development consultancy, focusing on digital transformation. The rationale for the acquisition is to secure and enhance the Company's ability to deliver innovative software-based solutions leveraging Catenae's existing capabilities including task management, proof of work, digital wallets, identity and digital certification capabilities, allowing Catenae to provide a broader portfolio of product and service offerings to support customers as they pursue new ways of working with people located remotely in distributed operations. The Cash Consideration will be satisfied from Catenae's existing cash resources. The Equity Consideration was due to be satisfied by the issue of new ordinary shares on or around 28 February 2022 at the volume weighted average price of the Company's shares during the previous 10 trading days.

On 9 May 2022, Mr Alan Simpson and Mr Anthony Sanders issued legal proceedings against the Company in the High Court. The claimed sum was £49,875.00 (plus interest) along with specific performance of various clauses of a Share Purchase Agreement and a Shareholders Agreement both dated 1 May 2022. Those relate to the issue of the £50,000 shares consideration and the payment of two amounts of £20,000 relating to working capital. The action is being defended by the Company which has brought a counterclaim for breach of restrictive covenants and fiduciary duty. No date is currently set for trial but the Claimants have issued a Summary Judgment application which is yet to be listed by the Court.

On 28 September 2022 the Company has agreed additional funding in the form of a convertible loan for £250,000 from Sanderson Capital Partners Ltd.

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