Company Number: 03882621

CATENA GROUP Plc

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019

Directors

M Farnum-Schneider	CEO and Interim Chairman
D Hillel	Finance director
J Zucker	Non- executive director
D J Coldbeck	Non- executive director
J Murray	Non- executive director

Secretary

D Hillel

Registered office

30 City Road
London EC1Y 2AB

Company number

03882621

Company website

www.catenagroup.co.uk

Bankers

Barclays Bank Plc
27 Soho Square
London
W1D 3QR

Nominated advisor

Zeus Capital Limited
82 King Street
Manchester M2 4WQ

Auditors

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
Gloucestershire
GL50 3AT

Brokers

Zeus Capital Limited
82 King Street
Manchester M2 4WQ

Legal advisors

Howard Kennedy LLP
No 1. London Bridge
London
SE1 9BG

Registrars

Share Registrars Limited
The Courtyard
17 West Street
Farnham, Surrey GU9 7DR

Catena Group Plc ("Catena", the "Group" or the "Company")

We are reporting a total comprehensive loss from all activities of £218,208 before tax against a total comprehensive loss of £144,485 in the previous year. This year's results include £30,058 of losses from discontinued activities (2018 - £32,399). Catena's consolidated cash balances as at 31 December 2019 were £636,779 (2018: £535,329). The directors are not recommending the payment of a dividend.

FUNDRAISE

As set out in the circular to shareholders issued in July 2019, the Company raised £290,000 (before legal and other professional expenses) by the issue of 2,000,000 new shares at 14.5p per share in order to assist with the Group's working capital requirements.

SPORT IN SCHOOLS LIMITED

Our focus in 2019 in terms of trading was the ongoing development of our sports coaching trading activities through Sport in Schools Ltd. The company's turnover increased by almost 9% to £1,683,272 producing a profit of £119,705 representing an increase of 19% on the previous year. The improved financial performance results from a combination of increased turnover by virtue of additional schools engaged (142, in the academic year 2019/20 as compared with 133 schools in the previous academic year), increased income from existing schools and tighter control of overheads.

As indicated in our Strategic Review, since the end of year, trading has been severely impacted by school closures in March 2020 brought on by the Covid-19 pandemic. This has had an adverse impact on cash flows. In response, the Group has taken aggressive action to reduce costs, claim under the Government job support schemes and raise further funds under the Government backed loan scheme. These actions will enable the business to resume full operations when schools re-open in September 2020 and mitigate against further curtailment in sports activity in schools or indeed further school closures.

With regards to the Sport in Schools Activities, the directors anticipate a return to profitability provided that no further restrictions in school operations arise.

PANTHEON LEISURE PLC ("PANTHEON")

Catena, holds 85.87% of the issued share capital of Pantheon Leisure Plc which in turn owns 100% of the operating business Sport in Schools Ltd, trading as The Elms Sport in Schools ("ESS"). Pantheon as a group made a loss of £35,477 for the year ended 31 December 2019 (2018: profit of £32,817). The group profit took into account £99,490 of non-recurring professional fees associated with land and drainage issues at the Elms Sport in Schools recognised in the year, which have now been fully resolved.

CORPORATE GOVERNANCE CODE

In accordance with changes to the AIM Rules regarding corporate governance our Annual Report & Accounts and Company website reflect compliance with (and any departures from) the Guidance set out in the QCA Corporate Governance Code.

PROSPECTS AND INVESTMENT OPPORTUNITIES

In late 2019, Catena identified the enormous growth potential of businesses operating in the machine learning and artificial intelligence (AI) sector; announcing in January 2020 the change of our name and the refocused strategy toward investment and acquisitions in this sector. In March 2020, Catena began its strategic transformation by acquiring a 9.1% stake in Insight Capital Partners Ltd ("Insight"), as well as a six-month option to increase our ownership to 30%, funded by a £1.5 million share placing and £0.5 million issue of convertible loan notes. We have been very satisfied with the progress made by Insight to date and are continuing to build our engagement and strategy with Insight.

M Farnum-Schneider
Chief Executive Officer and Interim Chairman
1 September 2020

Matthew Farnum-Schneider – Chief Executive Officer and Interim Chairman

Matthew is an experienced senior executive, having most recently been a Managing Director and Senior Adviser to the CEO at Credit Suisse between 2015-2019, prior to which he was Managing Director for corporate strategy at Prudential PLC. He was a founder and inaugural Chairman of the Global Infrastructure Investor Association, which under his leadership grew to become the leading advocacy association for the infrastructure investor community, representing more than 70 investors holding more than $650 billion in assets. Between 2009-2013, Matthew served in President Obama's administration both as Director of International Economics for the White House National Security Council and as COO of the International Development Finance Corporation. Earlier in his career he structured derivative hedging solutions at Barclays Capital and the Royal Bank of Scotland and served in President Clinton's White House as a senior adviser.

David Hillel - Finance Director

David is a chartered accountant, having qualified in 1966 and has extensive experience in the affairs of family run businesses of varying sizes and specialises in property dealing, development and investment companies. He is a fellow of the Institute of Chartered Accountants in England and Wales.

John Zucker - Non-Executive Director

John is a solicitor and was a founder and the managing partner of Roiter Zucker for over 30 years. He continues to practice as a consultant solicitor. John is also a trustee of a charitable trust.

David Coldbeck - Non-Executive Director

David worked for HSBC Bank plc for 32 years during which time he undertook various managerial roles in Retail and Corporate Banking, ultimately being appointed Area Director in London, a position he held for nine years prior to his retirement in 1999. David holds various other company directorships.

John Murray - Non-Executive Director

John was most recently a Managing Director at Credit Suisse acting as Senior Adviser to the CEO. He joined Credit Suisse in 2015 from Prudential plc where he served as Group Communications Director and member of the Group Executive Committee. John was previously Director of Communications at the Financial Services Authority, a founding partner of London-based financial PR consultancy, Powerscourt Limited, and Director of Strategy and Communications at Telewest plc (now part of Virgin Media). Prior to this, John had a successful career in journalism, culminating in the position of Executive Editor of The Daily Express.

Company Number 03882621

The directors present their report and financial statements for the group and parent company for the year ended 31 December 2019.

Results and dividends

The loss of the group before and after tax is given on page 18. The directors do not recommend the payment of a dividend.

Directors

The directors holding office during the year were:

M Farnum-Schneider	Appointed 01.08.2019
R L Owen	Resigned 25.03.2020
G Simmonds	Resigned 01.08.2019
D Hillel	
J Zucker	
D Coldbeck	

Directors' interests

At the date of this report the directors held the following beneficial interests in the ordinary share capital:

	Ordinary shares No.	Share options & warrants
M Farnum-Schneider	100,000	4,000,000
D Hillel	109,607	-
J Zucker	449,373	-
D Coldbeck	100,000	-

Details of directors' remuneration are given in note 8 in the notes to the accounts.

Substantial Interests

At the date of this report, the following had notified an interest of 3% or more in the ordinary share capital of the company:

	Ordinary shares	Percentage
R Bernstein	10,746,000	27.16
D Kyte	3,270,000	8.27
R L Owen	2,444,672	6.18
R Rowan	2,000,000	5.06
Schroder & Co Bank AG	2,000,000	5.06
G Simmonds	1,857,091	4.69
J Shulman	1,250,000	3.16

Auditors

In accordance with Section 489 of the Companies Act 2006, a resolution proposing that Hazlewoods LLP be re-appointed as auditors of the company will be put forward at the forthcoming Annual General Meeting.

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

As permitted under s414C(11) Certain required Directors' Report disclosures are made in the Strategic Report due to their strategic importance.

By order of the board.
D Hillel
Company secretary
1 September 2020

Principal activities, fair review of the business and future developments

The principal activity of Catena Group Plc (the "Company" or the "Group") is to acquire and grow businesses operating in high performing industries.

The trading subsidiaries during 2019 were Sport in Schools Limited and Ultimate Player Limited.

Reverse Take-Over Investments Limited, which was formerly active, specialised in the formation and development of shell companies and has not actively traded since the disposal of its remaining interests in investments for re-sale in 2017. No new investments were made in the year ended 31 December 2019 and the company is unnecessary for the future activities of the Group. With no future plans for the company the Board has, since the year end, filed an application with Companies House to remove the company from the register.

Sport in Schools Limited continued providing sports coaching in schools, camps and after-school clubs and continues to expand its operations. The company's turnover for the year was £1,683,272 with a profit for the year of £119,705 (2018 turnover £1,546,733 and profit of £100,705). The improved result is a combination of increased turnover by virtue of additional schools engaged, increased income from existing schools and tighter control of overheads. The divisional loss from the sports and leisure segment was £35,477 for the year ended 31 December 2019 (2018: profit of £32,817). The divisional loss takes into account £99,490 of non-recurring professional fees associated with land and drainage issues at the Elms Sport in Schools incurred in the year which are now fully resolved.

Ultimate Player Limited continued to operate the UltimatePlayer.me platform during the year. Following the Board's decision in 2017 to delay future website development, Ultimate Player has since then restricted its expenditure to recurring website maintenance and company administration costs. The company's loss for the year was £30,059 (2018: loss £32,399). Since the year end the company has closed-down the website and for that reason this activity has been re-classified as a discontinued activity in these financial statements.

The Group's key performance indicators are measured by reference to growth in turnover and profit of its trading subsidiaries, details of which are also given in note 6 of the notes to the Group financial statements.

Principal risks and uncertainties

The main business risks to the Group's trading operations are:

Sports coaching activities in schools rely on the continuation of government policy regarding preparation, planning and assessment time for teachers and compliance with the government recommended amount of time to be devoted to sports and physical education. The impact of the Covid-19 pandemic could still significantly impact future trading, if further wide-spread school closures occur or if there is long-term curtailment in the level of sports activities within the schools. The directors are unable to predict or evaluate the extent of the impact this might have on future trading but are pleased with the Government's prioritisation of normal school operations in its response to the Covid-19 pandemic.

The main financial risks to the Group are credit and liquidity risks.

Credit risks arise from trade receivables where the party fails to discharge their obligation in relation to the financial instrument. To minimise this risk, management has appropriate credit assessment methods to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports. There is no concentration of credit risk.

Liquidity risk arises in relation to the Group's management of working capital and the risk that the Company or any of its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk, the liquidity position and working capital requirements are regularly reviewed by management. Further explanation of these risks is set out in note 27 to the financial statements.

The directors do not consider changes in interest rates have a significant impact on the Group's cost of finance or operating performance.

Going Concern, subsequent events and the impact of the Covid-19 pandemic

The school closures resulting from the nationwide lockdown and progressing through more recent staged easing of lockdown has meant that 2020 is unlikely to generate sufficient turnover to deliver an operating profit from its main trading activity, Sport in Schools Limited. Prior to the pandemic, forecast levels of turnover for 2020 were expected to result in increased profits in the current year.

The Group has sought to mitigate the financial impact of business disruption through closure by utilising the UK Government's (or HMG's) Covid-19 financial assistance schemes; including the Furlough Worker Scheme, the Coronavirus Job Retention Scheme, the Retail, Hospitality and Leisure Grant Fund and a Coronavirus Business Interruption Loan of £240,000 which is repayable over 5 years commencing in July 2021. The directors also intend to apply for the Coronavirus Job Retention grants when available in early 2021, subject to conditions at that time. The financial support programmes have broadly insulated the business from any further short-term impacts and will enable it to resume full operations as the conditions improve.

With the Government's prioritisation of September school re-opening, it is expected that the provision of sports coaching in schools will resume and return to levels prior to the pandemic. The vast majority of the schools with whom Sport n Schools work have indicated their intention to re-start their sport programmes either as the term begins in September or with a delayed start later in the term.

In accordance with the Financial Reporting Council's 'Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks' (issued April 2016), the directors are required to provide disclosures regarding the going concern basis of accounting. Based on forecasts prepared, the directors have a reasonable expectation that the Group has adequate resources available to continue in operational existence for the foreseeable future and has continued to adopt the going concern basis in preparing the financial statements. However, the ongoing impacts of the global pandemic continue to evolve and it is difficult for the directors to predict with certainty whether there will be further restrictions on the way in which schools operate and in particular their approach to provision of sports coaching in schools. Any further wide-spread and long-term restrictions would impact future revenues and profits and could lead to the Group having insufficient resources to continue as a going concern, without further external funds being raised or government support. Further details regarding the adoption of the going concern basis can be found in note 5 in the financial statements.

Environmental policy

The Group recognises the importance of environmental responsibilities and where practicable has an environmental policy in place, which includes the recycling of paper and all office material. The directors believe the nature of its activities has a minimal effect on the environment.

Health and safety

The Company recognises the importance of safeguarding the health, safety and welfare of all employees in the Group and the relevant subsidiary undertakings have health and safety policies in place.

SECTION 172 STATEMENT

This section serves as our section 172 statement and should be read in conjunction with the rest of the Strategic Report set out on pages 6 and 7 (inclusive) and the Corporate Governance Statements on pages X and X (inclusive). The Directors are fully aware of their duty to promote the success of the Company in accordance with section 172 of the Companies Act 2006. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of shareholders and employees in their decision making.

M Farnum-Schneider
Chief Executive Officer and Interim Chairman
1 September 2020

Chairman's Introduction

High standards of corporate governance are a key priority for the Board of Catena Group Plc and the Board has adopted the 2018 Quoted Companies Alliance Corporate Governance Code (the "QCA Code") as the basis of the Group's governance framework. It is the responsibility of the Board to ensure that the Group is managed for the long-term benefit of all shareholders and stakeholders, with effective and efficient decision-making. Corporate governance is an important aspect of this, reducing risk and adding value to our business.

The Directors acknowledge the importance of the ten principles set out in the QCA Code and, in this section, the Group's current approach to complying with those principles is set out.

M Farnum-Schneider, Interim Chairman

The corporate governance framework within which the Group operates is based upon practices which the Board believes are appropriate and proportionate to the size and complexity of the Company and its business. The Board has chosen to adhere to the Quoted Companies Alliance Corporate Governance Code for small and mid-size quoted companies ("QCA Code").

The QCA Code identifies 10 principles that they consider to be appropriate and asks companies to provide an explanation on how they meet those principles. The Board has considered these principles and how the Group meets them given the size of the Group. The results of our review are set our below.

Over the period under review, the Group had not changed its strategic focus of developing the business of ESS and continuing to carefully appraise all acquisition opportunities. However, in early 2020, the Company outlined a re-focused strategy toward machine learning and artificial intelligence which has begun with its March 2020 investment in Insight Capital Partners Ltd. At this time, it does not propose to make amendments to the corporate governance framework it is operating.

These disclosures are set out on the basis of the current Group and the Board highlights where it has departed from the QCA Code presently. The Board will continue to develop its governance processes in the coming year where appropriate.

1. Establish a strategy and business model which promotes long-term value for shareholders:
Catena Group Plc has a long-established reputation in the field of school sports coaching for children and related activities. It continues to seek ways of growing this business, as well as executing against its new strategic focus in artificial intelligence and machine learning.

The Board has established a strategy which seeks to promote long-term value of ESS for shareholders and has identified the following key areas of operation to focus on improving the performance going forward:

- Enter into new agreements with schools in the London area
- Generate operational efficiencies and synergies within ESS
- Growth by expansion of business activities and acquisition

However, the priority of the Group at this time is to leverage the enormous growth potential in artificial intelligence and machine learning by pursuing further investment and acquisition opportunities as announced in January 2020. In March 2020, Catena began its strategic transformation by acquiring a 9.1% stake in Insight Capital Partners Ltd ("Insight") as well as a six-month option to increase our ownership to 30%. We have been very satisfied with the progress made by Insight to date and are actively considering exercising our option and/ or pursuing additional corporate actions to further leverage the enormous potential this sector provides.

2. Seek to understand and meet shareholder needs and expectations:
The Company recognises the importance of engaging with its shareholders and reports formally to them when its full-year and half-year results are published. The Chief Executive, also acting as Interim Chairman, presents the results to existing shareholders, potential investors, brokers and the media, where appropriate. The Non-Executive Directors are also available to discuss any matter with shareholders. There is no analyst coverage.

Meetings with these different groups are reported on at monthly board meetings by the Chief Executive Officer to ensure that shareholders' views are communicated to the Board as a whole. This process enables the Board to be kept aware of shareholders' opinions on strategy and governance, and for them to understand any issues or concerns.

Shareholders are encouraged to attend the annual general meeting at which the Group's activities and results are considered, and questions answered by the Directors. General information about the Group is also available on the Company's website: catenagroup.co.uk.

Since January 2020, the Board has announced the detailed results of shareholder voting to the market.

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success:
The Group is aware of its corporate social responsibilities and the need to maintain effective working relationships across a range of stakeholder groups, which include the Group's employees, customers, suppliers, and regulatory authorities.

The Group's operations take account of the need to balance the needs of all these stakeholder groups while maintaining focus on the Board's primary responsibility to promote the success of the Group for the benefit of its shareholders. The Group endeavours to take account of feedback received from stakeholder groups, making amendments to working arrangements and operational plans where appropriate and where such amendments are consistent with the Group's long-term strategy.

The Group considers its actions and likely impact that they may have on the environment and seeks to mitigate any negative impact wherever practicable. Through the various procedures and operating systems, the Group complies with health and safety and environmental legislation relevant to its activities.

4. Embed effective risk management, considering both opportunities and threats, throughout the organisation:
The Board has overall responsibility for the Group's internal control systems and for monitoring their effectiveness. The Board, with the assistance of the Audit Committee, maintains a system of internal controls to safeguard shareholders' investment and the Group's assets, and has established a continuous process for identifying, evaluating and managing the significant risks the Group faces.

The directors are responsible for the Group's system of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's system is designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The key procedures that have been established and which are designed to provide effective internal control are as follows:

- **Management structure** – the Board meets at least 10 times per annum and minutes of its meetings are maintained;
- **Financial reporting** – budgets are prepared and then presented to and, if appropriate, approved by, the Board. Any material variances from budgeted to actual results are investigated; and
- **Investment appraisal** – the Company has a clearly defined framework for capital expenditure requiring approval of the Board where appropriate.

Further details of the business risks and how they are mitigated as far as possible are contained in the Strategic Report section of the Annual Report. Both the Board and senior management are responsible for reviewing and evaluating risk on an ongoing basis and the Executive Directors regularly review trading performance, discuss budgets and forecasts and any new risks associated with trading, the outcome of which is reported to the Board.

Staff (including those of the subsidiaries) are also reminded on an annual basis that they should seek approval from the Interim Chairman and Chief Executive if they, or their families, plan to trade in the Company's shares.

5. Maintain the Board as a well-functioning, balanced team led by the Chair:
The members of the Board have a collective responsibility and legal obligation to promote the interests of the Company and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the Chairman of the Board. Following the resignation of Richard Owen in March 2020 this responsibility now falls on the Matthew Farnum-Schneider, who has temporarily taken over as the Group's Interim Chairman as well as remaining Chief Executive Officer.

The QCA Code requires that the Boards of AIM companies have an appropriate balance between executive and non-executive directors of which at least two should be independent. The Board has considered its current establishment – being three non-executive directors (one independent), and two executive directors – and is satisfied it meets this requirement with the understanding that an additional independent non-executive director will be appointed in the coming months. In May 2020, the Board appointed John Murray to act as a non-executive director. The Board is supported by one committee, the Audit committee.

The Interim Chairman, who is also the Group's Chief Executive Officer, is responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role, setting its agenda and ensuring that the Directors receive accurate, timely and clear information. He also ensures effective communication with shareholders and facilitates the effective contribution of the other Non-Executive Directors. The Company is satisfied that the current Board is sufficiently resourced to discharge its governance obligations on behalf of all stakeholders.

Non-executive directors are required to attend all Board and Board Committee meetings convened each year and to be available at other times as required for face-to-face and telephone meetings with the executive team and investors.

To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board and Committee meetings. All Directors have access to the advice and services of David Hillel who is both the Finance Director and the Company Secretary and is responsible for ensuring that the Board procedures are adhered to and that applicable rules and regulations are complied with. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Meetings held during the period under review (year ended 31 December 2019) and the attendance of Directors is summarised below:

	Matthew Farnum-Schneider	Richard Owen[1]	Geoffrey Simmonds[2]	David Hillel	John Zucker	David Coldbeck
Board Meetings	4/4	11/11	7/7	11/11	5/11	9/11
Audit Committee	N/A	N/A	N/A	N/A	1/1	1/1
Time Commitment	Full-time	Full-time	Full-time	3-4 days per month	1-2 days per month	1-2 days per month

The Board is responsible to the shareholders and sets the Group's strategy for achieving long-term success. It is ultimately responsible for the management, governance, controls, risk management, direction and performance of the Group. Further details of the composition of the Board is given in the Directors Report.

[1] Resigned March 2020
[2] Resigned July 2019

6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities:
The Board currently comprises two Executive and three Non-Executive Directors with an appropriate balance of sector, financial and public market skills and experience. The experience and knowledge of each of the Directors gives them the ability to constructively challenge the strategy and to scrutinise performance. The Board also has access to external advisors where necessary. Further details of the Board are included in the Annual Report on page 3.

Throughout their period in office the Directors are continually updated on the Group's business environment in which it operates, corporate social responsibility matters and other changes affecting the Group by briefings and meetings with senior personnel. They are reminded by the Company Secretary of these duties and are also updated on changes to the legal and governance requirements of the Group, and upon themselves as Directors, on an ongoing and timely basis.
The Company's Nominated Adviser assists with AIM matters and ensures that all Directors are aware of their responsibilities. The Directors also have access to the Company's lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary.

Board composition is always a factor for contemplation in relation to succession planning. The Board will seek to take into account any Board imbalances for future nominations as well as board independence.

The Company considers that at this stage of its development and given the current size of its Board, it is not necessary to establish a formal Nominations Committee. Instead, appointments to the Board are made by the Board as a whole. This position, however, is reviewed on a regular basis by the Board.

7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement:
Given the small size and complexity of the Company and the limited resources, the Board has not appointed external consultants to evaluate the performance of the directors and board overall. The Board acknowledges that it is non-compliant with its processes to evaluate the performance of the Board and will continue to review this requirement as the size and the complexity of the Group evolves.

In view of the size of the Group, decisions that would fall within the scope of Nomination or Remuneration Committees are dealt with by the full Board.

8. Promote a corporate culture that is based on ethical values and behaviours:
The Board seeks to maintain the highest standards of integrity in the conduct of the Group's operations. An open culture is encouraged within the Group, with communications to staff regarding the Group's progress when appropriate. Culture is key to successfully implementing the Company's strategy and achieving its objectives. Thus, the Board prioritises the establishment and maintenance of a culture of integrity, transparency and excellence.

The Group is committed to providing a safe environment for its staff and all other parties for which the Group has a legal or moral responsibility.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board:
The Chairman ensures effective communication with shareholders. The Group's Chief Executive is responsible for the operational management of the Group and the implementation of Board strategy and policy. By dividing responsibilities in this way, no one individual has unfettered powers of decision-making. In the current circumstances, where the Chief Executive is serving as Interim Chairman, the Independent Non-Executive Director provides additional oversight of decision-making.

The appropriateness of the Board's composition and corporate governance structures are reviewed on an ad hoc basis by the Board as a whole, and these will evolve in parallel with the Group's objectives, strategy and business model as the Group develops.

Board Committees

The Board has established an Audit Committee. Functions that would otherwise be carried out by Nomination and Remuneration Committees are dealt with by the Board as a whole.

The Audit Committee comprises the three non-executive directors. Its primary responsibility is to monitor the quality of internal controls, ensuring that the financial performance of the Group is properly measured and reported on, and for reviewing reports from the Group's auditors relating to the Group's accounting and internal controls, in all cases having due regard to the interests of shareholders.

In accordance with the QCA Code, the Audit Committee now meets at least three times a year to review the Group's interim and final results and liaises with the Group's Auditors.

In view of the size of the Group, decisions that would fall within the scope of a Remuneration Committee are dealt with by the full Board which includes setting the level of remuneration for both Directors and Key management personnel, determining terms and conditions of service, including the grant of share options, having due regard to the interests of shareholders.

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders:

Aside from the distribution to shareholders of an Annual Report and an Interim Report at the half year, shareholders are invited to attend an annual general meeting each year and other meetings where their input and approval is required. Catena's website is regularly updated for regulatory announcements and other required information and is accessible online at: catenagroup.co.uk

Comments and written communications from Shareholders and other stakeholders are welcome.

The Board has ultimate responsibility for reviewing and approving the Annual Report and Financial Statements and it has considered and endorsed the arrangements for their preparation, under the guidance of its Audit Committee. The directors confirm that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

M Farnum-Schneider
Chief Executive Officer and Interim Chairman
1 September 2020

The primary objective of the Committee is to assist the Board in overseeing the systems of internal control and external financial reporting of the Company. It performs this role by taking reasonable steps to establish that:

- the external and internal audit arrangements are appropriate and effective;
- the compliance arrangements are appropriate and effective;
- fraud prevention and whistleblowing arrangements are established, which are designed to minimise potential for fraud and financial impropriety; and
- the annual report and accounts, related internal control disclosures and any other publicly available financial information are reviewed and scrutinised.

The Committee has undertaken this role during the course of the year and reviewed all significant issues concerning the financial statement.

The principal matter the Committee considered concerning the 2019 financial statements was the appropriateness of the going concern assessment after consideration of the impact arising from the COVID 19 (Coronavirus) on the Company and its group. The Committee has reviewed key management judgement prior to publication of the 2019 financial statements concerning this issue.

David Coldbeck and John Zucker

Audit Committee

1 September 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have, as required by the AIM Rules of the London Stock Exchange, elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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 the financial statements have been prepared in accordance with IFRS's as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

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

The directors are responsible for the maintenance and integrity of any corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Opinion

We have audited the financial statements of Catena Group plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and parent company statements of cash flows, the consolidated and parent company statements of changes in equity, 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 ("IFRS") as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to Going Concern

We draw attention to note 5 to the financial statements, which sets out the directors' view on the impacts of Covid-19 on the group's ability to continue as a going concern. This note explains that the directors are not able to predict ongoing developments in relation to the Global Covid-19 pandemic and in particular the impact that this might have on the planned re-opening of schools, the provision of sports education and hence the impact that this could have on the group's business and cash flows. As stated in note 5, these conditions indicate that a material uncertainty exists that could cast doubt on the group's ability to continue as a going concern if further external funds cannot be raised or if further government support is not provided. Our opinion, as set out under the heading "Opinion" above is not modified in respect of this matter.

Our audit work included:

- review of forecasts prepared by management and approved by the directors to support the going concern assumption;
- considering the current level of available cash resources and debt servicing requirements of the Group;
- considering the likely impact on cash flows of a further reduction or suspension of activities arising from a reduction or cessation in level of activities; and
- evaluating the adequacy and appropriateness of the directors' disclosures in respect of the implications of the Covid-19 pandemic and its implications on the going concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described under the heading 'material uncertainty related to Going Concern above, we have determined the matter below to be a key audit matter to be communicated in our report.

Description of Key Audit Matter	**How we responded**
Completeness of Income	
Verification of completeness of income and ensuring that this is allocated to the correct accounting periods is an assumed risk in most businesses and one requiring particular consideration.	We obtained an understanding of systems and processes in place to record revenues and carried out tests of the controls in place to capture income. We also carried out substantive audit procedures on a test basis. We also carried out substantive tests to ensure revenue was correctly allocated between accounting periods.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information, would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality, which we use to determine the extent of testing needed, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We established materiality for the group's financial statements as a whole to be £25,000, which is 1.5% of the value of the group's turnover and 11% of the group's loss for the year. The parent company does not trade and has no external sources of finance and hence materiality is assessed in the context of its balance sheet, we considered that the same level of materiality could be applied to the parent company, representing 2.4% of the net assets of the parent company.

An overview of the scope of our audit

Our audit approach was based on obtaining a thorough understanding of the group's business and is risk-based. This included gaining an understanding of the legal and regulatory framework applicable to the group and parent company, the structure of the group and parent company and the business sector in which it operates. We considered the risks of acts by the group which were contrary to applicable law and regulations including fraud. We designed our audit procedures to respond to those identified risks , including non-compliance with laws and regulations which are material to the financial statements. We focussed on laws and regulations that could give rise to a material mis-statement in the financial statements, including but not limited to the Companies Act 2006.

We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks. We also made enquiries of management and reviewed minutes of directors' meetings.

Our tests included, but were not limited to, obtaining evidence about amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by irregularities, including fraud or error.

The risks of material misstatement are considered under the heading of "key audit matters" in this report.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors’ report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors’ report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors’ report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 statement of directors’ responsibilities set out on page 13, 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 group’s and the parent company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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David Main (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

1 September 2020

	Notes	2019 £	2018 £
Continuing activities			
Revenue	**6**	1,683,272	1,546,733
Cost of sales		(818,158)	(719,067)
Gross profit		865,114	827,666
Administrative expenses		(1,051,971)	(939,842)
Operating loss	**7**	**(186,857)**	**(112,176)**
Finance income	**9**	1,273	718
Finance costs	**10**	(2,566)	(628)
Loss before taxation		(188,150)	(112,086)
Taxation	**11**	-	-
Loss after taxation from continuing activities		(188,150)	(112,086)
Loss for the year from discontinued activities	**6**	(30,058)	(32,399)
Loss for the year and total comprehensive loss		(218,208)	(144,485)
Attributable to:			
Equity holders of the parent company		(213,197)	(149,121)
Non-controlling interests		(5,011)	4,636
		(218,208)	(144,485)
Loss per share (basic and diluted)			
Loss from continuing activities per share	**12**	(0.0053)	(0.0040)
Loss from discontinued activities per share	**12**	(0.0010)	(0.0011)
Loss for the year and total comprehensive loss per share		(0.0063)	(0.0051)

The notes on pages 25 to 47 form part of these financial statements.

	Notes	2019	2018
		£	£
Non-current assets			
Goodwill and other intangibles	**14**	59,954	59,954
Property, plant and equipment	**16**	72,104	13,168
Total non-current assets		132,058	73,122
Current assets			
Trade and other receivables	**17**	109,635	89,760
Cash and cash equivalents		636,779	535,329
Total current assets		746,414	625,089
Total assets		**878,472**	**698,211**
Current liabilities			
Trade and other payables	**18**	275,495	239,911
Non-current liabilities			
Leasing commitments	**18**	49,294	-
Total liabilities		**324,789**	**239,911**
Net assets		**553,683**	**458,300**
Equity			
Share capital	**21**	2,408,664	2,388,664
Share premium account	**23**	1,048,031	782,031
Merger reserve	**23**	325,584	325,584
Retained earnings		(3,164,722)	(2,979,116)
Equity attributable to shareholders of the parent company		**617,557**	**517,163**
Non- controlling interests		(63,874)	(58,863)
Total Equity		**553,683**	**458,300**

The financial statements were approved and authorised for issue by the board on 1 September 2020 and signed on its behalf by:

D Hillel
Director

M Farnum-Schneider
Director

Company registration number 03882621

The notes on pages 25 to 47 form part of these financial statements.

	Share capital £	Share premium £	Merger reserve £	Retained earnings £	To equity holders of the parent company £	Non-controlling interest £	Total £
Balance at 1 January 2018	2,281,164	393,454	325,584	(2,840,795)	**159,407**	(63,499)	95,908
Issue of new shares	107,500	430,000	-	-	**537,500**	-	537,500
Share issue costs	-	(41,423)	-	-	**(41,423)**	-	(41,423)
Share based payments	-	-	-	10,800	**10,800**	-	10,800
Loss for the year	-	-	-	(149,121)	**(149,121)**	4,636	(144,485)
Reserves at 1 January 2019	2,388,664	782,031	325,584	(2,979,116)	**517,163**	(58,863)	458,300
Adjustment for the adoption of IFRS 16 in relation to leased assets	-	-	-	8,591	**8,591**	-	8,591
Issue of new shares	20,000	270,000	-	-	**290,000**	-	290,000
Share issue costs	-	(4,000)	-	-	**(4,000)**	-	(4,000)
Share based payments	-	-	-	19,000	**19,000**	-	19,000
Loss for the year	-	-	-	(213,197)	**(213,197)**	(5,011)	(218,208)
At 31 December 2019	**2,408,664**	**1,048,031**	**325,584**	**(3,164,722)**	**617,557**	**(63,874)**	**553,683**

The notes on pages 25 to 47 form part of these financial statements.

	Notes	2019 £	2018 £
Non-current assets			
Investment in subsidiaries	**15**	505,755	505,755
Property, plant and equipment	**16**	-	-
Total non-current assets		505,755	505,755
Current assets			
Trade and other receivables	**17**	329,056	361,793
Cash and cash equivalents		510,538	413,656
Total current assets		839,594	775,449
Total assets		**1,345,349**	**1,281,204**
Current liabilities			
Trade and other payables	**18**	313,455	319,715
Total current liabilities		313,455	319,715
Total liabilities		**313,455**	**319,715**
Net assets		**1,031,894**	**961,489**
Equity			
Share capital	**21**	2,408,664	2,388,664
Share premium account	**23**	1,048,031	782,031
Merger reserve	**23**	325,584	325,584
Retained earnings		(2,750,385)	(2,534,790)
Total equity		**1,031,894**	**961,489**

The financial statements were approved and authorised for issue by the board on 1 September 2020 and signed on its behalf by:

D Hillel
Director

M Farnum Schneider
Director

Company registration number 03882621

The notes on pages 25 to 47 form part of these financial statements.

	Share capital £	Share premium £	Merger reserve £	Retained earnings £	Total £
At 1 January 2018	**2,281,164**	**393,454**	**325,584**	**(2,344,388)**	**655,814**
Issue of new shares	107,500	430,000	-	-	537,500
Share issue costs	-	(41,423)	-	-	(41,423)
Share based payments	-	-	-	10,800	10,800
Loss for the year	-	-	-	(201,202)	(201,202)
At 1 January 2019	**2,388,664**	**782,031**	**325,584**	**(2,534,790)**	**961,489**
Issue of new shares	20,000	270,000	-	-	290,000
Share issue costs	-	(4,000)	-	-	(4,000)
Share based payments	-	-	-	19,000	19,000
Loss for the year	-	-	-	(234,595)	(234,595)
At 31 December 2019	**2,408,664**	**1,048,031**	**325,584**	**(2,750,385)**	**1,031,894**

The notes on pages 25 to 47 form part of these financial statements.

	Note	2019 £	2018 £
Cash flow from all operating activities			
Loss before taxation from continuing activities		(188,150)	(112,086)
Loss before taxation from discontinued activities		(30,058)	(32,399)
		(218,208)	(144,485)
Adjustments for:			
Finance income		(1,273)	(718)
Finance expense		2,566	628
Impairment and amortisation of intangible assets		-	100
Share based payments		19,000	10,800
Depreciation		18,764	7,507
Loss on disposal of tangible assets		-	1
Operating cash flow before working capital movements		(179,151)	(126,167)
Increase in receivables		(19,875)	(20,779)
Increase in payables		27,251	66,250
Net cash absorbed by operations		**(171,775)**	**(80,696)**
Taxation		**-**	**-**
Cash flow from investing activities			
Finance income		1,273	718
Property, plant and equipment acquired		(3,180)	(7,753)
Net cash absorbed by investing activities		**(1,907)**	**(7,035)**
Cash flow from financing activities			
Funds from share issues		286,000	496,077
Finance expense		(2,566)	(628)
Repayment of leasing liabilities and borrowings		(8,302)	(2,000)
Net cash from financing activities		**275,132**	**493,449**
Net increase in cash and cash equivalents in the year	**29**	**101,450**	**405,718**
Cash and cash equivalents at the beginning of the year		535,329	129,611
Cash and cash equivalents at the end of the year		**636,779**	**535,329**

A statement of cash flows from discontinued activities is set out in note 29 (b).

The notes on pages 25 to 47 form part of these financial statements.

	Notes	2019 £	2018 £
Cash flow from operating activities			
Loss before tax		(234,595)	(201,202)
Adjustments for:			
Finance income		(17,773)	(17,218)
Share based payments		19,000	10,800
Provision for impairment in value of investments in subsidiaries		-	10,713
Provision against irrecoverable intra group indebtedness		81,717	78,765
Loss on disposed tangible assets		-	1
Operating cash flow before working capital movements		(151,651)	(118,141)
Increase in receivables		(32,485)	(81,855)
(Decrease)/increase in payables		(6,255)	35,398
Net cash absorbed by operations		**(190,391)**	**(164,598)**
Cash flow from investing activities			
Finance income		1,273	718
Net cash inflow from investing activities		**1,273**	**718**
Cash flow from financing activities			
Funds from share issues		286,000	496,077
Net cash from financing activities		**286,000**	**496,077**
Net increase in cash and cash equivalents in the year	**29**	**96,882**	**332,197**
Cash and cash equivalents at the beginning of the year		413,656	81,459
Cash and cash equivalents at the end of the year		**510,538**	**413,656**

The notes on pages 25 to 47 form part of these financial statements

1. General information

Catena Group Plc is a public company limited by shares, domiciled and incorporated in England and Wales and its activities are as described in the strategic report on pages 5 to 6.

These financial statements are prepared in pounds sterling being the currency of the primary economic environment in which the Group operates.

2. Basis of Accounting

The consolidated financial statements of the Group and the financial statements of the parent company for the year ended 31 December 2019 have been prepared under the historical cost convention and are in accordance with International Financial Reporting standards ("IFRS") as adopted by the EU. These policies have been applied consistently except where otherwise stated.

For the purpose of the preparation of these consolidated financial statements, the Group has applied all standards and interpretations that are effective for accounting periods beginning on or after 1 January 2019. Except for IFRS 16, the adoption of new standards and interpretations in the year has not had a material impact of the Group's financial statements.

IFRS 16

The Group has adopted IFRS 16 in the financial statements for the first time for the year ended 31 December 2019. IFRS 16 has been applied under the modified retrospective approach and as such there has been no restatement of the prior year figures. IFRS 16 replaces all existing lease requirements under IAS 17. Under IFRS 16 there is no longer any distinction between an operating and a finance lease, all leases now result in the recognition of a financial liability and a 'Right-of-Use' asset for the lessee. Details of the impact upon transition and on the results and net assets for the year are shown in Note 22.

Future standards in place but not yet effective:

No new standards, amendments or interpretations to existing standards that have been published and that are mandatory for the Group's accounting periods beginning on or after 1 January 2020, or later periods, have been adopted early. The following standards and amendments are not yet applied at the date of authorisation of these financial statements:

- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020)
- Definition of a Business (Amendments to IFRS 3) (effective 1 January 2020)
- Definition of Material (Amendments to IAS 1 and IAS 8) (effective 1 January 2020)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) (effective 1 January 2020)
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) (effective 1 January 2022)

3. Significant accounting policies

(a) **Basis of consolidation**

The financial statements of the Group incorporate the financial statements of the Company and entities controlled by the Company, which are its subsidiary undertakings, in accordance with IFRS 10. Control is achieved where the Company has the power to govern the financial and operating policies of its subsidiary undertakings so as to benefit from their activities.

Details of subsidiary undertakings are set out in note 15.

All intra-group transactions and balances have been eliminated in preparing the consolidated financial statements.

3. Significant accounting policies (continued)

(b) **Revenue recognition**

Revenue arises from income from sports and leisure activities undertaken by the Group; representing invoiced and accrued amounts for services supplied in the year, exclusive of Value Added Tax.

Consideration received from customers in respect of services is only recorded as revenue to the extent that the Group has performed its contractual obligations in respect of that consideration. Management assess the performance of the Group's contractual obligations against the sports and leisure activities as they are delivered.

Revenue from sports and leisure activities is recognised as the activity is provided, with payment due in advance of the performance obligations.

The IFRS 15 practical expedient has been applied whereby the promised amount of consideration has not been amended for the effects of a significant financing component as at the contract inception there are no contracts where the period between transfers of promised services and customer payment is expected to exceed one year.

Under the Group's standard contract terms, customers may be offered refunds for cancellation of sports and leisure activities. It is considered highly probable that a significant reversal in the revenue recognised will not occur given the consistent low level of refunds in prior years.

(c) **Intangible assets**

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of subsidiary entities at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the statement of comprehensive income and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, associate or jointly controlled entity, the amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS's has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

Development costs are expensed in arriving at the operating profit or loss for the year unless the directors are satisfied as to the technical, commercial and financial viability of individual project. In this situation, the expenditure is recognised as an asset and is reviewed for impairment on an annual basis.

Any impairment is recognised immediately in the income statement in administrative expenses and is not subsequently reversed.

3. Significant accounting policies (continued)

(d) **Plant and equipment**

Plant and equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less their estimated residual value over their expected useful lives.

The rates applied to these assets are as follows:

Plant & equipment	25% & 10% straight line
Motor vehicles	33.3% - straight line

(e) **Operating leases**

Prior to 1 January 2019: Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against revenue as and when incurred.

Post 1 January 2019: Assets held under leases are recognised as assets of the Group at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between interest expenses and capital redemption of the liability. Interest is recognised immediately in the Consolidated Income Statement, unless attributable to qualifying assets, in which case they are capitalised to the cost of those assets.

Exemptions are applied for short life leases and low value assets, with payment made under operating leases charged to the Consolidated Statement of Comprehensive Income on a straight line basis of the period of the lease.

(f) **Deferred taxation**

Deferred taxation is provided in full in respect of timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance is not discounted.

The recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

(g) **Trade receivables**

Trade receivables are recognised at fair value. A provision for impairment of trade receivables is established where there is objective evidence that the company or group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or liquidation and default or delinquency of payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within administrative expenses. When a trade receivable is uncollectable it is written off against the allowance account for trade receivables.

3. Significant accounting policies (continued)

(h) Investments

Investments in subsidiary undertakings are stated at cost less provision for impairment in the parent company balance sheet.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown as borrowings within current liabilities.

(j) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Ordinary shares are classified as equity. Incremental costs directly attributable to new shares are shown in equity as a deduction from the proceeds.

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

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

4. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Group's financial statements requires the directors to make judgements, estimates and assumptions that effect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on the director's best knowledge of the relevant facts and circumstances. Information about such judgements and estimation is contained in the accounting policies and/or notes to the financial statements.

Deferred tax asset

At the present time the directors' do not consider that there is sufficient certainty regarding the utilisation of tax losses available in the Group. As a result, no deferred tax asset has been recognised.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which the goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill is the deemed cost on first time application of IFRS.

Details of the carrying value of goodwill at the year end and the impairment review calculation are given in note 14.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of intangible assets

The carrying value of intangible assets comprising unamortised website costs are determined by reference to an assessment of future income generated by the UltimatePlayer.me platform. Having regard to the Board's decision in 2017 to delay future plans for further website development, all unamortised costs have already been fully impaired.

Valuation of share-based payments

The Company has granted options to acquire its shares to a director. On valuing the fair value of the share options granted and hence the cost charged to profit or loss, judgements are required regarding key assumptions applied. See note 25 for further information relating to the assumptions applied.

5. Going concern

The directors have considered the financial impact of the Covid-19 pandemic having prepared financial forecasts covering the 12 months following approval of these financial statements. The forecasts take into account both turnover and cost expectations, Central and local government assistance and a business interruption bank loan of £240,000 repayable over a 5 year period commencing in July 2021. The forecasts show the Group can continue to carry on trading within its existing finance facilities over that period. There are however uncertainties regarding the forecasts, relating to the reopening of UK schools in the Autumn 2020 and the full sports offering being available. At the date of signing the financial statements the Directors have every expectation that schools will re-open and physical education will be a permitted subject and recognise the priority the Government has placed on the normal operation of schools. In view of the this, the directors consider it appropriate to prepare the financial statements on a going concern basis.

The directors are however not able to predict ongoing developments in relation to the Global Covid 19-pandemic and in particular whether the current plans relating to the re-opening of schools and the provision of sports education will proceed as planned, or indeed whether further closures could be imposed in the future. Any curtailment of activities would impact cash flows generated by the Group and, if the curtailment were wide-spread and long-term, could cast doubt on the Group's ability to continue as a Going Concern without further external funds being raised or government support. This could also impact the carrying value of the investment by the parent company in its subsidiary companies.

If the Group was unable to continue as a going concern then adjustments would be necessary to re-classify fixed assets as current assets, to write down the value of assets to their recoverable amount and to make provision for further liabilities that would arise on discontinuance of the business.

6. Business segment analysis

Business segments are identified based on the different trading activities of the Group.

Segmental information also details the continuing and discontinued activities in the Group.

All turnover, profits, losses, assets and liabilities relate to operations undertaken in the UK.

Year ended 31 December 2019	**Sports and leisure (continuing activity) £**	**Social media website (discontinued activity) £**	**Consolidated £**
Revenue from services	1,683,272	71	1,683,343
Segment operating profit/(loss)*	20,215	(30,058)	(9,843)
Group operating expenses**			(207,072)
Operating loss			(216,915)
Finance revenues less finance costs			(1,293)
Loss before taxation			(218,208)
Taxation			-
Loss after taxation from all activities			(218,208)

Year ended 31 December 2018	**Sports and leisure (continuing activity) £**	**Social media website (discontinued activity) £**	**Consolidated £**
Revenue from services	1,546,733	273	1,547,006
Segment operating profit/(loss)*	100,754	(32,399)	68,355
Group operating expenses**			(212,930)
Operating loss			
Other gains and losses			(144,575)
Finance revenues less finance costs			90
Loss before taxation			(144,485)
Taxation			-
Loss after taxation from continuing activities			(144,485)

*Segment operating profit in relation to Sports and Leisure is after charges for depreciation of £8,485 (2018: £7,507) and exceptional professional fees relating to a drainage issue of £99,490.

** 'Group operating expenses' represent the costs of running the Group as a whole. The directors consider that the costs of running Pantheon Leisure Plc of £57,192 (2018: £68,824) form part of these costs as opposed to forming part of the segmental costs of the sports and leisure division.

Financial position at 31 December 2019	Sports and leisure (continuing activity)	Social media website (discontinued activity)	Consolidated
	£	£	£
Segment assets	174,818	1,946	176,764
Non segmental assets			701,708
Consolidated total assets			878,472
Segmental liabilities	294,769	3,577	298,346
Non segmental corporate liabilities			26,443
			324,789
Capital additions and leased assets	3,180	-	
Depreciation/amortisation and impairment	8,485	-	

Financial position at 31 December 2018

	Sports and leisure (continuing activity)	Social media website (discontinued activity)	Consolidated
	£	£	£
Segment assets	86,555	1,388	87,943
Non segmental assets			610,268
Consolidated total assets			698,211
Segmental liabilities	203,071	-	203,071
Non segmental corporate liabilities			36,840
			239,911
Capital additions	7,753	-	
Depreciation/amortisation and impairment	7,507	-	

Non segmental assets include group cash balances of £636,779 (2018: £535,329), goodwill of £59,954 (2018: £59,954), other assets and receivables of £4,975 (2018: £14,985). Non segmental liabilities include trade and other payables of £26,443 (2018: £36,840).

7. Operating loss

The operating loss is stated after charging /(crediting):	2018 £	2018 £
Auditors' remuneration – audit services	18,700	18,900
Operating lease rentals – land and buildings (short term leases)	15,600	17,635
Depreciation of property, plant and equipment	18,764	7,753

Included in the audit fee for the group is an amount of £7,150 (2018: £7,000) in respect of the Company.

The auditors received fees of £900 (2018: £1,630) in respect of the provision of services in connection with advice relating to the Group's interim results, and general advice.

8. (a) Staff Costs

Employee benefit costs were as follows:	Group	
	2019	2018
	£	£
Wages and salaries	1,270,709	1,152,825
Social security costs	74,001	58,061
Pension contributions	22,363	12,634
Share based payment	19,000	10,800
	1,388,482	1,234,320

The average numbers of employees, including directors during the year, were

	No.	Re-stated No.
Directors of the Company	6	5
Directors of subsidiary undertakings	2	2
Senior management and operatives	2	4
Sports coaches	117	101
Sales	3	2
Administration	3	5
Average number of personnel in the year	133	119

The comparative figures for average number of employees has been restated to enable comparability.

(b) Directors' remuneration – Catena Group Plc

An analysis of directors' remuneration (who are the key management personnel) is set out below:	2019 £	2018 £
Salary and consultancy fees	45,753	21,250
Pension contributions	50	-
Share based payments	19,000	-
	64,803	21,250
Executive directors	54,803	16,250
Non-executive directors	10,000	5,000
	64,803	21,250

The total cost of key management personnel being the executive directors and including employers' national insurance was £45,753 (2018: £21,250).

8. (a) Staff Costs

The following amounts were paid for the services of the directors in the year:

	2019	2018
Salaries and benefits	**£**	**£**
R L Owen	20,000	13,750
M Farnum-Schneider	5,336	-
G Simmonds	2,917	-
D Hillel	7,500	2,500
J Zucker	5,000	2,500
D J Coldbeck	5,000	2,500
	45,753	21,250

There were no directors' benefits in 2019 (2018 - Nil).

The share options to which the cost indicated above referred were issued to M Farnum-Schneider.

There was one director for who defined contribution pension contributions of £50 was paid in the year (2018 - Nil).

9. Finance income

	2019	2018
	£	**£**
Interest revenue – bank deposits	1,273	718

10. Finance costs

	2019	2018
	£	**£**
Bank overdraft interest	-	628
Interest on IFRS 16 lease liability	2,566	-
	2,566	628

11. Taxation

	2019	2018
	£	**£**
Deferred tax (credit)/charge		
Origination and reversal of temporary differences	-	-
Tax charge for the year	-	-
Tax charge/credit in income statement	-	-

No income tax charge arises based on the loss for the year (2018: nil).

The Group has unutilised tax losses of £5,245,000 (2018: £6,443,000) which includes £960,000 (2018: £2,380,000) in relation to the Company's subsidiary undertakings. Where it is anticipated that future taxable profits will be available to utilise these losses a deferred tax asset or a reduction in deferred tax liability is recognised as appropriate.

11. Taxation (continued)

Factors affecting the tax charge in the year

	2019	2018
	£	£
Loss on ordinary activities before taxation	(218,208)	(144,485)
Loss on ordinary activities before taxation at the standard rate of UK corporation tax of 19% (2018: 19%)	(41,460)	(27,452)
Effects of:		
Expenses not deductible for tax purposes	18,816	5,370
Share based payments	3,610	2,052
Dividend income	-	3,943
Temporary differences in respect of depreciation and capital allowances not reflected in deferred tax	1,008	(79)
Unutilised tax losses not recognised as a deferred tax asset	18,025	16,166
Tax charge/credit	-	-

12. Loss per share

Basic loss per share has been calculated on the Group's loss attributable to equity holders of the parent company of £213,197 (2018: £149,121) and on the weighted average number of shares in issue during the year, which was 34,438,352 (2018: 29,174,996).

Comprehensive loss per share is based on the same number of shares and on the comprehensive loss for the year attributable to the equity holders in the parent company of £213,197 (2018: £149,121).

In view of the Group loss for the year, share warrants and options to subscribe for ordinary shares in the Company are anti-dilutive and therefore diluted earnings per share information is not presented. There are options outstanding at 31 December 2019 on 4,160,000 ordinary shares and on 1,500,000 share warrants. Post year end 4,000,000 new ordinary shares were subscribed for, which would have significantly changed the number of shares in calculating the loss per share if the transaction had happened before the year end.

13. Loss for the financial year

As permitted by Section 400 of the Companies Act 2006, the profit and loss account for the parent company is not presented as part of these financial statements.

The consolidated loss for the year of £218,208 (2018: loss of £144,485) includes a loss of £234,595 (2018: loss of £201,202) dealt with in the accounts of the parent company.

14. Goodwill, intangibles and development costs

	2019 £ Website development	2019 £ Goodwill and other intangibles	2019 £ Total	2018 £ Total
Cost at 1 January	587,187	60,054	647,241	647,241
Additions in the year	-	-	-	-
Cost at 31 December	587,187	60,054	647,241	647,241
Amortisation at 1 January	587,187	100	587,287	587,187
Impairment write off	-	-	-	100
Amortisation at 31 December	587,187	100	587,287	587,287
Carrying value at 31 December	-	59,954	59,954	59,954

- Goodwill of £59,954 included above relates to the acquisition of Pantheon Leisure Plc which is included at its deemed cost on first time application of IFRS.
- The Group acquired intangible assets costing £100 in 2013 following the acquisition of a subsidiary. The asset was fully impaired and written off in 2018.

Goodwill acquired in a business combination is allocated, at acquisition, to cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill relates wholly to the leisure activities business segment.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding forecast revenues and operating costs. Management have taken into account the following two elements:

(i) Based on current assessments of the Sport in Schools activities made by the directors they consider that, without the financial impact of the Covid -19 pandemic, revenues would have continued to grow in 2020 and 2021; and

(ii) Operational costs are monitored and controlled

Development costs

Ultimate Player Limited continued to operate the UltimatePlayer.me platform during the year. As a result of the decision taken by the Board in 2017 to delay future plans for further website development, unamortised development costs were fully impaired and written off in in that year.

15. Investments in subsidiaries

Parent Company	**2019**	**2018**
Cost	**£**	**£**
Shares	1,947,932	1,947,932
Loan notes	220,000	220,000
Total cost at beginning and end of year	2,167,932	2,167,932
Provision for impairment		
At 1 January	1,662,177	1,651,464
Increase of provision in year	-	10,713
At 31 December	1,662,177	1,662,177
Carrying value at 31 December	505,755	505,755

Included in investments is £220,000 of loan notes which carry an interest coupon of 7.5% and are repayable on demand at par.

The following companies were subsidiaries at the balance sheet date and the results and year end position of these companies has been included in these consolidated financial statements. The registered office for all the companies listed below is at 30 City Road, London EC1Y 2AB.

Subsidiary undertakings	**Description and proportion of share capital owned**	**Country of incorporation or registration**	**Nature of business**
Westside Acquisitions Limited	Ordinary 100%	England & Wales	Holding company
Reverse Take-Over Investments Limited *	Ordinary 100%	England & Wales	Acquisition and development of shell companies
Westsidetech Limited	Ordinary 100%	England & Wales	Dormant
Westside Mining Plc	Ordinary 100%	England & Wales	Investment - inactive
Westside Sports Limited	Ordinary 100%	England & Wales	Holding company
Ultimate Player Limited	Ordinary 100%	England & Wales	Social media website
Football Data Services Limited	Ordinary 100%	England & Wales	Website data services - inactive
FootballFanatix Limited	Ordinary 100%	England & Wales	Social media website - inactive
Pantheon Leisure Plc **	Ordinary 85.87%	England & Wales	Holding company
Sport in Schools Limited ***	Ordinary 85.87%	England & Wales	Sports coaching in schools
Football Partners Limited ***	Ordinary 85.87%	England & Wales	Dormant
The Elms Group Limited ***	Ordinary 85.87%	England & Wales	Inactive
Footballdirectory.co.uk Limited ****	Ordinary 85.87%	England & Wales	Dormant

* $33^1/_3$% held indirectly through Westside Acquisitions Limited
** held indirectly through Westside Sports Limited
*** held indirectly through Pantheon Leisure Plc
**** held indirectly through The Elms Group Limited

The segmental reporting for sports and leisure provides details of assets and liabilities and results for the year for the Pantheon Leisure sub-group. Details are given in note 6.

Since the year end, the following dormant or inactive companies listed below are in the process of being removed from the Register at Companies House:

Westside Acquisitions Limited, Reverse Take-Over Investments Limited, Westsidetech Limited, Football Data Services Limited, Footballfanatix Limited, Football Partners Ltd and Football Directory.co.uk Limited.

16. Property, plant and equipment

Group	Plant and equipment £	Right of Use Assets: Property £	Total £
Cost			
At 1 January 2018	94,572	-	94,572
Additions	7,753	-	7,753
Disposals	(1,848)	-	(1,848)
Cost at 1 January 2019	100,477	-	100,477
Adjustment for leased assets	-	154,180	154,180
Additions	3,180	-	3,180
At 31 December 2019	103,657	154,180	257,837
Depreciation			
At 1 January 2018	81,649	-	81,649
Charge for the year	7,507	-	7,507
Disposals	(1,847)	-	(1,847)
At 1 January 2019	87,309	-	87,309
Adjustment for leased assets	-	79,660	79,660
Charge for the year	8,485	10,279	18,764
At 31 December 2019	95,794	89,939	185,733
Carrying value			
At 31 December 2019	7,863	64,241	72,104
At 31 December 2018	13,168	-	13,168

Right of Use Assets represent premises from which the Group operates in relation to its sports and leisure activities.

Parent Company	Plant and equipment £	Right of Use Assets: Property	Total £
Cost			
At 1 January 2018	1,848	-	1,848
Disposals	(1,848)	-	(1,848)
Cost at 1 January and 31 December 2019	-	-	-
Depreciation			
At 1 January 2018	1,847	-	1,847
Disposals	(1,847)	-	(1,847)
At 1 January 2019 and 31 December 2019	-	-	-
Carrying value			
At 1 January and 31 December 2019	-	-	-

17. Receivables and loan notes

Non-current assets

Parent company

In 2019, amounts due within one year included £220,000 of loan notes (2018: £220,000). The loan notes are convertible into 50 million new shares in Pantheon Leisure Plc at any time before redemption. The loan notes carry an interest coupon of 7.5% and are repayable on demand at par.

Pantheon Leisure Plc is a subsidiary undertaking of Catena Group Plc.

The loan notes are included in investments.

Group

The Group has no receivables and loan notes classified as non-current assets.

Current assets

	Group		**Parent Company**	
	2019	**2018**	**2019**	**2018**
	£	**£**	**£**	**£**
Trade receivables	81,575	62,768	-	-
Other receivables	22,314	18,681	4,975	10,166
Amounts due from subsidiary undertakings	-	-	324,081	347,102
Prepayments and deferred expenditure	5,746	8,311	-	4,525
	109,635	89,760	329,056	361,793

The average credit period given for trade receivables at the end of the year is 18 days (2018: 15 days). Trade receivables are stated net of a provision for irrecoverable amounts of £Nil (2018: £Nil).

Amounts due from subsidiary undertakings are stated net of provisions for irrecoverable amounts which total £1,536,742 (2018: £1,454,629).

The total charge in the year in respect of irrecoverable receivables in the group accounts was £Nil (2018: £Nil).

As at 31 December, the ageing analysis of trade receivables, all of which are due and not impaired is as follows:

	£
	<3 months
2019	81,575
2018	62,768

18. Trade and other payables

Due within one year:	Group		Parent Company	
	2019	2018	2019	2018
	£	£	£	£
IFRS 16 lease liability	8,333	-	-	-
Trade payables	5,048	9,760	-	-
Other payables	14,564	24,672	-	-
Taxes and social security	98,656	99,459	-	-
Amounts due to subsidiary undertakings	-	-	287,013	287,793
Accruals and deferred income	148,894	106,020	26,442	31,922
	275,495	239,911	313,455	319,715

The average credit period taken for trade payables at the end of the year is 12 days (2018: 8 days).

Due after one year:	Group		Parent Company	
	2019	2018	2019	2018
	£	£	£	£
IFRS 16 lease liability	49,294	-	-	-
	49,294	-	-	-

Further information regarding IFRS 16 lease liabilities is provided in note 22.

19. Bank overdraft

Sport in Schools Limited has a bank overdraft facility secured by a guarantee of up to £50,000 by Catena Group Plc. The overdraft is repayable on demand.

20. Deferred tax

There were no deferred tax liabilities or assets recognised by the Group during the current and previous year.

21. Issued and fully paid share capital

Ordinary shares	Number of ordinary 10p shares	Number of ordinary 1p shares	Number of deferred 9p shares	£
At 1 January 2018	22,811,638	-	-	2,281,164
Subdivision of ordinary shares	(22,811,638)	22,811,638	22,811,638	-
New 1p shares issued in the year	-	10,750,000	-	107,500
At 1 January 2019	-	33,561,638	22,811,638	2,388,664
New shares issued in the year	-	2,000,000	-	20,000
At 31 December 2019	-	35,561,638	22,811,638	2,408,664

In July 2019, the Company raised £290,000 (before issue costs of £4,000) from the issue of 2,000,000 1p shares for 14.5p per share.

21. Issued and fully paid share capital (continued)

Ordinary shares of 1p each:
Shareholders are entitled to receive dividends or distributions in the event of a winding up with rights to attend and vote at general meetings.

Deferred shares of 9p each:
Shareholders are entitled to receive 0.1p for each £999,999 of dividends or other distributions in the event of a winding up with no rights to attend and vote at general meetings.

As at 31 December 2019 the Company's issued shares carry no rights to fixed income.

The market price of the Company's shares at 31 December 2019 was 26p and the price range during the financial year was between 12.5p and 29p.

22. Obligations under leases
Group

As at 31 December 2018, under IAS 17, the Group was committed to making the following future minimum lease payments under non-cancellable operating leases which fell due as follows:

	2018
	£
Within one year	
Land and buildings	10,868
Other	5,636
Between two and five years	
Land and buildings	43,472
Other	6,417
After five years	
Land and buildings	24,453
	90,846

The amount of non-cancellable operating lease payments recognised as an expense during 2018 was £17,635.

IFRS 16

For the year ended 31 December 2019, the following amounts have been recognised under IFRS 16 in relation to property leases:

	2019
	£
Additions to 'right-of-use' assets upon adoption of IFRS 16	154,180
Depreciation adjustment upon adoption of IFRS 16	79,660
Depreciation charged on 'right-of-use' assets recognised	10,279
Interest expense recognised on lease liability	2,566
Expenses incurred in relation to 'short-term' leases	20,572
Obligation at the year end in relation to 'short-term' leases	2,650
Total cash outflow in the year in relation to leases	31,440

23. Reserves

Retained earnings represent the cumulative retained profit or loss of the Group.

Share premium is the amount subscribed for share capital in excess of nominal value and is a capital reserve required by UK company law.

The merger reserve is a non-statutory reserve and represents the difference between the fair value and nominal value of the shares exchanged for shares on acquisition of Reverse Take-Over Investments Plc which took place in 2003.

24. Related parties

Details of the remuneration of directors is given in note 8. In addition to the information given in that note, the following provides further details of related party transactions involving the Company and its directors.

The directors are the key management personnel of the Group.

Simmonds & Co

The Group made monthly payments totalling £8,750 (2018: £26,500) as contributions towards office and secretarial costs to Simmonds & Co, Chartered Accountants, a practice in which G Simmonds is sole proprietor. Following his resignation as a director on 1 August 2019, his practice continued to receive monthly fees for consultancy services totalling £6,250 to December 2019. Amounts due at 31 December 2019 totalled £2,500 (2018: £Nil).

In March 2017, G Simmonds was issued with 125,000 A Warrants and 125,000 B Warrants. Further details relating to these new warrants are given in note 25.

M Farnum – Schneider

Following his appointment as a director on 1 August 2019, the company granted options to acquire 4,000,000 ordinary shares in the Company with exercise prices ranging from 20 pence per share to 60 pence per share between 2020 and 2025. More detailed information is given in note 25 below.

R Owen

The Company paid for office facilities to R Owen of £168 (2018: £ 13,611). No amounts were due to R Owen at the 31 December 2019 (2018: £Nil).

In March 2018, R Owen was issued with 125,000 A Warrants and 125,000 B Warrants. Further details relating to these new warrants are given in note 25.

25. Share-based payment transactions

Warrants

In March 2018, the Company issued new warrants to subscribe for shares. 750,000 A Warrants and 750,000 B Warrants were issued exercisable at a price of 10p and 25p respectively per new ordinary share.

Warrants are valued using the Black-Scholes option pricing model. The fair value per option granted and the assumptions used in the calculation are as follows:

Grant date	13 March 2018	13 March 2018
Share price at grant date	15p per share	15p per share
Exercise price	10p per share	25p per share
Shares under warrant	250,000	250,000
Expected volatility	100.0%	100.0%
Warrant life (years)	3 years	3 years
Expected life (years)	3 years	3 years
Risk-free interest rate	1.25%	1.25%
Fair value per warrant	3.15p	2.8p

In accordance with IFRS2, the fair value of the warrants issued and recognised as a charge in the accounts for the year is £Nil (2018: £10,800). In arriving at this amount, the expected volatility is based on historical volatility, the expected life is the average expected period to exercise and the risk-free rate of return is the yield on a zero-coupon UK government bond for a term consistent with the assumed option life.

Options

In January 2011, the Company adopted an unapproved share option scheme and on 1 August 2019, the Company granted options over 4,000,000 ordinary shares in the Company as part of a director's compensation agreement. Details of the options are set out below:

	2019 £	2018 £
Outstanding at start of year	307,500	307,500
Granted during the year	4,000,000	-
Lapsed during the year	(147,500)	-
Outstanding at the end of the year	4,160,000	307,500
Exercisable at the end of the year	160,000	307,500

The movements in the weighted average exercise price of the options were as follows:

	2019 £	2018 £
Outstanding at start of the year	26.4	26.4
Granted during the year	45.0	-
Lapsed during the year	26.2	-
Outstanding at the end of the year	44.3	26.4
Exercisable at the end of the year	26.6	26.4

The weighted average contractual life of options outstanding at the year end is 4.5 Years (2018: 4 years).

25. Share-based payment transactions (continued)

Share options (continued)

The fair value of the equity instruments granted was determined using the Black Scholes Model. This model was selected as it is an industry standard model. The only conditions attached to the options is continuing employment. The inputs into the model for options outstanding at the year-end were as follows:

Grant date	17 January 2011	6 March 2014	30 April 2014
Share price at grant date	25p per share	27.5p per share	27.5p per share
Exercise price	25p per share	27.5p per share	27.5p per share
Shares under option	210,000	167,500	200,000
Expected volatility	17.0%	20.9%	20.9%
Option life (years)	10 years	7 Years	7 Years
Expected life (years)	10 Years	7 Years	7 Years
Risk-free interest rate	2.0%	2.0%	2.0%
Fair value per option	0.4p	0.07p	0.07p

Share options granted in the year to M Farnum-Schneider

Grant date	1 August 2019	1 August 2019	1 August 2019
Share price at grant date	17p per share	17p per share	17p per share
Exercise price	20p per share	40p per share	60p per share
Shares under option	1,000,000	1,000,000	2,000,000
Expected volatility	43.1%	43.1%	43.1%
Option life (years)	3 years	3 years	3 years
Expected life (years)	3 Years	3 Years	3 Years
Vesting period (years)	0.5 to 1 Years	1 to 2 years	2 to 3 Years
Risk-free interest rate	0.57%	0.57%	0.57%
Small company discount factor	35%	35%	35%
Fair value per option	2.5p	2.5p	0.7p

The expected volatility is based on historical volatility, the expected life is the average expected period to exercise and the risk-free rate of return is the yield on a zero-coupon UK government bond for a term consistent with the assumed option life.

In accordance with IFRS 2, the fair value of the share options issued and recognised as a charge in the accounts for the year is £19,000 (2018: £Nil).

26. Transition to IFRS 16

The financial statements for the year ended 31 December 2019 are prepared applying IFRS 16 'Leases', using the modified retrospective approach and as such there has been no restatement of prior year figures. The following table details the initial impact of applying IFRS 16 as at the transition date of 1 January 2019:

Assets and liabilities included at 31 December 2018	**1 January 2019**
	£
Finance lease obligations at 31 December 2018	-
Operating lease obligations as at 31 December 2018	90,846
Relief option for short-term and low value leases	(12,053)
Gross lease liabilities at 1 January 2019	78,793
Discounting	(12,864)
Lease liabilities at 1 January 2019	65,929
Present value of finance lease liabilities as at 31 December 2018	-
Additional lease liabilities as a result of the initial application of IFRS 16 as at 1 January 2019	65,929

The lease liabilities were discounted at the borrowing rate as at 1 January 2019, which was determined to be 5%.

Effect on group net assets	
	£
Group net assets at 31 December 2018 as stated	458,300
Right of Use Asset recognised	74,520
IFRS 16 lease liability adjustments referred to above	(65,929)
Revised carrying value at 1 January 2019	466,891

27. Capital management and financial instruments

The Group is solely equity funded which represents the Group's capital.

The Group's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can begin to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group sets the amounts of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Capital for the Group comprises all components of equity – share capital of £2,408,664 (2018: £2,388,664), share premium of £1,048,031 (2018: £782,031), other reserves of £325,584 (2018: £325,584), and the retained deficit of £3,164,722 (2018: £2,979,116).

During the year ended 31 December 2019 the Group's strategy was to preserve net cash resources by limiting cash absorbed from losses and through good cash management.

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provision of the instrument.

27. Capital management and financial instruments (continued)

At 31 December 2019 and 31 December 2018, there were no material differences between the fair value and the book value of the Group's financial assets and liabilities. All financial assets and liabilities are measured at amortised cost. Relevant financial assets and liabilities are set out below.

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Financial assets				
Cash and cash equivalents	636,779	535,329	510,538	413,656
Due from subsidiary undertakings	-	-	324,081	347,102
Trade and other short- term receivables	98,943	70,395	-	-
	735,722	605,724	872,870	760,758
Financial liabilities (which are included at amortised cost)				
Trade and other short- term payables	19,612	34,432	-	-
IFRS 16 lease liabilities	57,627	-	-	-
Due to subsidiary undertakings	-	-	287,013	287,793
	77,239	34,432	287,013	287,793

The Group's financial instruments comprise cash and cash equivalents, receivables, payables, loan obligations that arise directly from its operations

Amounts shown in trade and other short term receivables exclude prepayments and deferred expenditure for the Group of £5,746 (2018: £8,311) and VAT recoverable of £4,946 (2018: £11,054) for the Group and for Catena of £2,775 (2018: £4,522) of short term receivables and VAT recoverable of £2,200 (2018: £10,166).

Trade and short-term payables referred to above excludes deferred income and accruals of £148,894 (2018: £106,020), and tax and social security creditors of £98,656 (2018: £99,459).
For the parent company, trade and short-term payables excludes tax and accruals of £26,442 (2018: £31,922).

The Group has not adopted a policy of using financial derivatives and does not rely on the use of interest rate hedges.

In common with other businesses, the group is exposed to risks that arise from its use of financial instruments. There have been no substantive changes to the Group's response to financial instrument risk and the methods used to measure them from previous periods.

The main risks arising from the Group's financial instruments are credit and liquidity risks.

Credit risk arises from trade receivables where the party fails to discharge their obligation in relation to the instrument. To minimise this risk, management have appropriate credit assessment methods to establish credit worthiness of new customers and monitor receivables by regularly reviewing aged receivable reports. There is no concentration of credit risk other than in respect to cash held on deposit at the company's bank as set out above.

The amount exposed to risk in respect of trade receivables at 31 December 2019 was £81,575 (2018: £62,768).

27. Capital management and financial instruments (cont.)

Liquidity risk arises in relation to the Group's management of working capital and the risk that the Company or any of its subsidiary undertakings will encounter difficulties in meeting financial obligations as and when they fall due. To minimise this risk the liquidity position and working capital requirements are regularly reviewed by management. As explained in note 5 the subsidiary company, Sport in Schools Limited is susceptible to any further impact on the provision of sports teaching in schools, which in turn could negatively impact both the liquidity of that parent company and the group.

The directors do not consider changes in interest rates have a significant impact on the Group's cost of finance or operating performance.

All financial assets are due within one year. The maturity analysis can be seen in note 17.

As the Group's operations are conducted in the United Kingdom, risks associated with foreign currency fluctuations are not relevant.

28. Post balance sheet events

Since the year end the Group has been affected by the Covid-19 pandemic. See the Strategic Report and Note 5 for further details of the impact of this on the Group.

In March 2020 £1.5 million before expenses was raised by way of an issue of 4,000,000 new Ordinary Shares at a price of 25 pence per shares and the issue of £0.5 million convertible loan notes. £1.5 million of the net proceeds were used to finance an investment in Insight Capital Partners Limited.

29. Notes to statement of cash flows

a) Analysis of net funds

	At 1 January 2019 £	Cash Flow £	At 31 December 2019 £
Group			
Cash and cash equivalents	**535,329**	101,450	**636,779**
Borrowings	**-**	-	**-**
Net funds	**535,329**	101,450	**636,779**
Company			
Cash and cash equivalents	**413,656**	96,882	**510,538**
Net funds	**413,636**	96,882	**510,538**

29. Notes to statement of cash flows (continued)

(b) Statement of cash flows from discontinued activities

Ultimate Player Limited

	2019	2018
	£	£
Cash flow from discontinued activities		
(loss) before tax	(30,058)	(32,399)
Adjustments for:		
Increase in debtors	(538)	357
Decrease/(Increase) in creditors	30,012	32,917
Cash generated/absorbed from operations	(584)	875
Investing activities	-	-
Net cash used in investing activities	-	-
Financing activities		
Additional borrowings	-	-
Net cash from financing activities	-	-
Net cash decrease in cash and cash equivalents	(584)	875
Cash and cash equivalents at the beginning of the year	2,090	1,215
Cash and cash equivalents at the end of the year	**1,506**	**2,090**

Football Partners Limited

	2019	2018
	£	£
Cash flow from discontinued activities		
(loss) before tax	-	-
Adjustments for:		
Increase in debtors	-	-
Decrease/(Increase) in creditors	-	13,865
Cash generated/absorbed from operations	-	13,865
Investing activities	-	-
Net cash used in investing activities	-	-
Financing activities		
Additional borrowings	-	-
Net cash from financing activities	-	-
Net cash decrease in cash and cash equivalents	-	13,865
Cash and cash equivalents at the beginning of the year	-	(13,865)
Cash and cash equivalents at the end of the year	**-**	**-**