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COMPANY INFORMATION

DIRECTORS

Mr Michael Edwards
Mr Mark Rutledge
Mr Nicholas Lyth
Mr David Raphael
Mr Kalum Hourd

COMPANY SECRETARY

Mr N Lyth

REGISTERED OFFICE

9th Floor, 16 Great Queen Street
London, WC2B 5DG, United Kingdom

REGISTERED NUMBER

13279459

BROKERS

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65 Petty France
London
SW1H 9EU

First Sentinel Corporate Finance Ltd
72 Charlotte Street
London
W1T 4QQ

INDEPENDENT AUDITOR

Kreston Reeves LLP
168 Shoreditch High Street
London
E1 6RA

SHARE REGISTRARS

Computershare
The Pavilions
Bridgewater Road
Bristol
BS99 6ZZ

Chairman's Report

The Company is an AI-focused, full-stack technology company involved in every aspect from training the language models to constructing the user interface. Given the nature of the fast moving Artificial Intelligence sector, it must quickly adapt to market changes. As such, the Company identified an opportunity to utilise its technology to develop interactive, customisable “chatbots” and launched this product during the financial period. The chatbots are free for limited use and are available at a subscription for wider use. This change in direction of the Company was reflected in the change of registered company name from Streaks Gaming Plc to StreaksAI Plc on the 4th July 2023.

In addition, this technology is suitable for B2B applications and the Company is working on the development of products to fit into the music management, sports management and celebrity sectors to enable them to increase fan interaction and engagement.



Mr M Edwards

Non-Executive Chairman

27 June 2024

Strategic Report

Principal activity

The Company's principal activity is that of a global AI-focused software development company, led by a team experienced in this sector and in the development of technology businesses. It is based in UK and its shares are listed on the main market of the London Stock Exchange (ticker:STK) .

Review of the business

Streaks Social is live and allows users to use and customise chatbots for their own experiences. This is free to use in a limited way and greater functionality is available at a subscription.

In addition, the creation of LLM-based chat technology and voice replication has allowed the Company to develop products that are suited to the music management, sports management and celebrity sectors which aid fan interaction and engagement.

Current trading and outlook

StreaksAI has generated a small amount of revenue from its interactive, customizable chatbots. This technology is well suited to B2B fan engagement platforms and the Company will be focusing on this area in the future.

Key Performance Indicators

Focus	Aim and Intention
Meetings with Music Managers/Sports Clubs/Celebrities	This is how we monitor the success of our commercial offering
Accuracy of AI chatbots	Release of chatbots with inaccurate content is a big problem so we carefully monitor this
Cash burn	Inevitably this is a key metric and getting it to a minimum level is crucial to the business

Principal risks and uncertainties

The Board consider that the principal risks revolve around the ability to create and monetise opportunities within the AI sector.

The Company operates in a changing environment and is subject to a number of risk factors. The Board consider the following to be of particular relevance but this is by no means an exhaustive list, as there may be other risk factors not currently known.

Risks Relating to the AI Sector

Whilst forecasts suggest that the AI sector will grow quickly in the coming years, there is no guarantee that this is the case. At some point, growth will slow and this may lead to stagnation of revenues and aggressive competition.

Strategic Report

Whilst relatively immature, the AI sector is becoming increasingly competitive new entrants are often well resourced and this may lead to difficulties in competing with marketing expenditure to attract participants.

The Company relies up on 3rd party developers to produce the “full stack” and has relationships with several of these. The use of 3rd party developers means that the Company has a risk that the development may not be done in a timely or accurate manner.

Risks Relating to the Company’s Business Strategy

The Company is an early stage business. The Company's competition may be more established companies who may have more resources and a more recognisable brand presence in the market. The Directors believe that the Company’s team has the experience and connections to ensure that the business is able to compete with established rivals and take advantage of market opportunities they have identified.

Attracting high profile individuals to Streaks Social requires careful negotiation and popular celebrities may be presented with multiple offers, not just from the Company. As such, this competitive environment may lead to a slower than forecasted take up rate of subscribers.

For all other risks, please see note 15.

Company’s S172 Statement

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company’s relationships with suppliers, customers and others, and
- Consider the impact of the Company’s operations on the community and the environment.

The Company operates as an organisation within a fast-growing and developing AI environment, and at times may be dependent on fund-raising for continued operation and/or growth. The nature of the business is understood by the Company’s members, employees and suppliers, and the Directors are transparent about the cash position and funding requirements. The Company’s employees are fundamental to the success of the business.

The directors understand that it is critical to engage with and understand their views and to ensure that all employees’ interests are considered. To strengthen employee engagement, the Directors promote and encourage all employees to raise any concerns or suggestions with senior management

Strategic Report

without hesitation. Stakeholder engagement is fundamental to the Company's strategy. The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during the period:

Significant Events/Decisions	Key S172 Matters affected	Actions and Consequences
Strategy of signing multiple deals with music management, sports management and celebrities	Shareholders and business relationships	Increasing the awareness of the Company on a global scale
Investment into software development to produce AI driven platforms in the fan engagement sectors	Shareholders and business relationships	To ensure that the Company has the platform to allow it to expand on a global scale

This the strategic report is only part of the Company's annual accounts and reports and should be read as part of the whole annual report.



Michael Edwards : Non Executive Chairman
27 June 2024

Directors' Report

General information

The Directors present the Annual Report and audited financial statements for the year ended 29 February 2024.

The Company's Ordinary Shares were admitted to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities on 5 January 2023. The Company is registered in England and Wales.

Dividends

The directors do not propose a dividend in respect of the year ended 29 February 2024 (2023: £nil).

Directors

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board.

Attendance at Board meetings during the year ended 29 February 2024 were as follows:

Member	Meetings attended
M Edwards	4 of 4
M Rutledge	4 of 4
N Lyth	4 of 4
D Raphael	4 of 4
P Blows	4 of 4
K Hourd (resigned 30 June 2023)	1 of 1
G Silvera (resigned 30 June 2023)	1 of 1
D Try (resigned 31 January 2024)	3 of 3

The Board is providing leadership within a framework of appropriate and effective controls. The Board is set up, operates and monitors the corporate governance values of the Company, and has overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business. The Board takes appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules and (notwithstanding that they only apply to companies with a Premium Listing) the Premium Listing Principles as set out in Chapter 7 of the Listing Rules.

The Company supports the concept of an effective Board leading and controlling the Company. The Board is responsible for approving Company policy and strategy. It meets when required, and has a schedule of matters specifically reserved to it for decision. Management supply the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary. All Directors have access to advice from independent professionals at the

Directors' Report

Company's expense. Training is available for new Directors and other Directors as necessary. All Directors are subject to re-election annually and, on appointment, at the first AGM after appointment.

Communications with shareholders

Communications with shareholders are given a high priority. In addition to the publication of an annual report and an interim report, there is regular dialogue with shareholders and analysts. The Annual General Meeting is viewed as a forum for communicating with shareholders, particularly private investors. Shareholders may question the Chairman and other members of the Board at the Annual General Meeting. All published information for shareholders is also available on the Company website, including annual and interim reports, circulars, announcements and significant shareholdings.

Accountability and Audit

The Board presents a balanced and understandable assessment of the Company's position and prospects in all interim and price sensitive reports to regulators as well as in the information required to be presented by statutory requirements.

The Company's audit committee is comprised of Michael Edwards and Mark Rutledge. The audit committee is to meet at least twice a year to consider the integrity of the financial statements of the Company, including its annual and interim accounts; the effectiveness of the Company's internal controls and risk management systems; auditor reports; and terms of appointment and remuneration for the auditor.

Internal control

The Directors acknowledge they are responsible for the Company's systems of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Company failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

Political donations

The Company did not make any political donations or expenditure.

Directors and directors' interests

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr Michael Edwards (non-executive)

Mr Mark Rutledge (non-executive)

Mr Nicholas Lyth

Mr David Raphael

Mr Philip Blows (resigned 4th March 2024)

Mr Digby Try (resigned 31st January 2024)

Mr Gordon Silvera (resigned 30th June 2023)

Mr Kalum Hourd

Directors' Report

Directors' shareholdings:

	Ordinary Shares	Percentage of issued share capital 29 February 2024 %
Michael Edwards ¹	13,700,000	3.62
Mark Rutledge ²	3,500,000	0.92
Nicholas Lyth ³	10,001,000	2.64
David Raphael	28,000,000	7.39
Philip Blows	-	-
Digby Try	-	-
Gordon Silvera	-	-
Kalum Hourd	4,200,000	1.11
	59,000,000	15.70

Directors' warrant holdings

Michael Edwards ¹	10,000,000	2.64
Mark Rutledge ²	5,000,000	1.32
Nicholas Lyth ³	5,000,000	1.32
David Raphael	-	-
Philip Blows	-	-
Digby Try	-	-
Gordon Silvera	2,000,000	0.53
Kalum Hourd	2,000,000	0.53
	24,000,000	6.34

¹ Held via Marallo Holdings Inc

² Held via Carraway Capital Inc

³ Held via Dark Peak Services Ltd

Directors' Report

Going concern

The Company has commenced trade from which it will generate revenue however these revenues are modest. The Company continues to invest in the development of technology and is prioritising this cost. In light of constrained resources, the Company has taken steps to reduce its cash burn, such as deferring Directors fees and terminating external engagements. As a result, the directors are confident that the Company has sufficient resources to meet its liabilities for a period of at least twelve months from approval of the financial statements and the Directors have therefore adopted the going concern basis of accounting in the preparation of the annual financial statements.

Likely Future Developments

Streaks AI plc operates in the fast-moving Artificial Intelligence sector and as such must be in a position to constantly update and refine its business strategy. The Company has identified Music Management, Sports Clubs and Celebrities as an area where its voice replication technology can help with fan engagement and this is likely to be an important area of development in the future.

Financial Risk Management

The Company has a simple capital structure and its principal financial asset is cash. The Company has a limited number of transactions with Europe, the United States and Canada and is therefore subject to market risk by way of being exposed to variations in foreign exchange rates. The Company has little exposure to credit risk due to holding its cash reserves with credible institutions. The Company may also be exposed to liquidity and capital risk, due to the nature of operations and the requirements for operating an esports organisation. The Company manages these risks through maintenance of sufficient working capital.

Substantial Shareholdings

At 21 June 2024, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company:

	Number of Shares	Percentage
Supernova Digital Assets Plc (formerly AQRU Plc) ¹	76,332,000	20.15
David Raphael	28,000,000	7.39
Flatiron Labs Inc ²	63,686,535	16.82
Marallo Holdings Inc ³	13,700,000	3.62
Pioneer Media Holdings Inc	20,000,000	5.28
Ryan Douglas Faber	24,000,000	6.34
Tennyson	24,088,000	6.36
Toro Consulting Ltd	43,200,000	11.41

¹ Directors of Supernova Digital Assets Plc include Michael Edwards, Nicholas Lyth and Mark Rutledge

² Flatiron Labs Inc is a company 100% owned by Ryan Douglas Faber

³ Marallo Holdings Inc is a company 100% owned by Michael Edwards

Directors' Report

Controlling shareholder

The Company does not have a controlling shareholder.

Greenhouse gas emissions

As at the year end, the Directors and contractors operate from their respective homes, with little to no travel. For the year to 29 February 2024, the Company's CO2 emissions were under the 40,000 kwh disclosure threshold.

Provision of information to auditor

So far as each of the Directors is aware at the time this report is approved:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

The auditors, Kreston Reeves LLP, were appointed in 2023 and have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

Directors' Responsibility Statement

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 period. Under that law the directors have prepared the Company financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

Directors' Report

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4 (Disclosure and Transparency Rules)

Each of the directors confirm to the best of their knowledge:

- The Company financial statements have been prepared in accordance with UK-adopted international accounting standards and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- The Annual report includes a fair review of the development and performance of the business and financial position of the Company together with a description of the principal risks and uncertainties that it faces.

This report was approved by the board on 27 June 2024 and signed on its behalf by:



Michael Edwards

Non-Executive Chairman

Remuneration report

This remuneration report sets out the Company's policy on the remuneration of executive and non-executive directors together with details of Directors' remuneration packages and service contracts for the year ended 29 February 2024.

The Company's remuneration committee is comprised of Mark Rutledge and Michael Edwards. The remuneration committee is to meet at least twice a year and has as its remit the determination and review of, among others, the remuneration of executives on the Board and any share incentive plans of the Company.

Remuneration Policy

In setting the policy, the Board has taken the following into account:

- The need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Company;
- The Company's general aim of seeking to reward all employees fairly accordingly to the nature of their role and their performance;
- Remuneration packages offered by similar companies within the same sector;
- The need to align the interests of shareholders as a whole with the long-term growth of the Company; and
- The need to be flexible and adjust with operational changes throughout the term of this policy.

Future Policy Table

Element	Purpose	Policy	Operation	Opportunity & Performance Conditions
Executive Directors				
Base salary	To award for services provided	Based on recommendations of the remuneration committee, with comparison with other companies of a similar size & sector	Paid monthly & reviewable annually	N/A
Pension	N/A	Statutory, where appropriate	N/A	N/A
Annual Bonus	N/A	Based on recommendations of the remuneration committee in relation to the contributions of the Company	N/A	N/A
Share options	Incentives	Based on recommendations of the remuneration committee as part of a management incentive, where appropriate	N/A	N/A

Remuneration report

Element	Purpose	Policy	Operation	Opportunity & Performance Conditions
Non-Executive Directors				
Base salary	To award for services provided	The Board as a whole determines the remuneration of Non-exec Directors based on the recommendations of the Chairman & Comparison with other companies of a similar size & sector	Paid monthly & reviewable annually	N/A
Pension	N/A	Statutory where appropriate	N/A	N/A
Benefits	N/A	None provided	N/A	N/A
Annual Bonus	N/A	No element of remuneration for performance	N/A	N/A
Share options	N/A	Not awarded	N/A	N/A

Notes to the future policy table

As the Company is generating modest revenues certain Directors have agreed to defer their Fees for the foreseeable future. When the Company's finances permit, these Fees become payable. As at the reported period end date 29 February 2024, £63,000 fees were deferred.

The Directors shall also be paid by the Company all travelling, hotel and other expenses as they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

There are no requirements or guidelines for the director to own shares in the Company.

Remuneration report

Directors Remuneration (audited)

Details of Directors' remuneration during the year ended 29 February 2024 is as follows:

Name	Director fees year ended 29th Feb 2024 (£)	Director fees year ended 28th Feb 2023 (£)	Percentage year on year increase / (decrease)
Michael Edwards	96,000	96,000	-
Mark Rutledge	48,000	32,500	47.69
Nicholas Lyth	60,000	71,000	(15.49)
David Raphael	90,000	215,000	(58.14)
Philip Blows	126,000	10,000	1,160
Digby Try	35,000	7,000	400
Gordon Silvera	30,000	68,701	(56.33)
Kalum Hourd	12,000	33,000	(63.64)
Total	497,000	533,201	(6.79)

Terms of appointment

The services of the Directors, provided under the terms of agreement with the Company are dated as follows:

Director	Year of appointment	Number of years completed	Date of current engagement letter
Michael Edwards	2022	1	16 December 2022
Mark Rutledge	2022	1	16 December 2022
Nicholas Lyth	2022	1	16 December 2022
David Raphael	2022	1	16 December 2022
Philip Blows	2023	1	20 February 2023

Consideration of shareholder views

The Board will consider shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's annual policy on remuneration.

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

Remuneration report

For external and internal appointments, the Board may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Policy on payments for loss of office

Notice periods are contractually negotiated and generally follow normal industry practice of three months. Loss of office payments are in accordance with this notice period.

Corporate Governance Statement

The Company intends to comply with the provisions of the Corporate Governance Code published by the Quoted Companies Alliance (QCA Corporate Governance Code) insofar as is appropriate having regard to the size and nature of the Company and the size and composition of the Board.

The Company's Standard Listing means that it is also not required to comply with those provisions of the Listing Rules which only apply to companies on the Premium List. The FCA will not monitor the Company's compliance with any of the Listing Rules which the Company has indicated that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply. However, the FCA would be able to impose sanctions for non-compliance where the statements in this annual report are themselves misleading, false or deceptive.

The QCA has identified 10 principles that focus on the pursuit of medium to long-term growth in value for shareholders without stifling the entrepreneurial spirit in which a company was created.

Companies need to deliver growth in long-term shareholder value. This requires an efficient, effective and dynamic management framework and should be accompanied by good communication which helps to promote confidence and trust.

Deliver growth

Principle 1: Establish a strategy and business model which promote long-term value for shareholders.

The Company's strategy and business model were established and set out in the Company's IPO Admission Document. The strategy is reviewed, assessed and revised at Board meetings as required. The Company's strategy, business model and progress are communicated through the Strategic Report of each Annual Report.

Principle 2: Seek to understand and meet shareholder needs and expectations.

The Company's Chair meets with existing shareholders from time to time as do the Executive Directors.

The Company has an active social media presence which seeks to keep all stakeholder groups informed of progress.

The Company welcomes all attendees to its Annual General Meetings ("AGMs") and seeks to engage with them both formally and informally on the day.

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success.

As a people-centric business, much of their 'day job' involves communication/meetings with both external third parties and the Company's staff. Minimising the environmental impact of these activities is actively encouraged through the Company's:

- Employment policies e.g. travel, use of public transport, working from home
- Use of Zoom, a web-based meeting facility.

Remuneration report

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation.

The Company's approach to risk management together with the principal risks and uncertainties applicable, their possible consequences and mitigation are set out in the Principal Risks and Uncertainties section of the Group's Annual Report. The Board reviews, evaluates and prioritises risks to ensure that appropriate measures are in place to effectively manage and mitigate those identified.

Maintain a dynamic management framework

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair.

The Corporate Governance section of the Company's Annual Report details the composition of its Board and Committees. These are also included within the Investor Relations section of its website.

All of the Directors (both Executive and Non-executive) are committing the time necessary to fulfil their roles. Non-executive Directors sit on the Audit and Remuneration Committees. The Board meets formally at least four times a year. During the year to 29th February 2024, the Board met four times.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.

A biography of each Board member is included within the Investor Relations section of its website. These list current and past roles of each Board member and also describe the relevant business experience that each Director brings to the Board, plus their academic and professional qualifications.

The biographies show the balanced blend of skills and experience required to enable the Company to execute its strategic objectives within a corporate governance framework which has been tailored to its business activities.

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.

The Corporate Governance section of the Annual Report describes the function of the Board and its Committees. Whilst the Company does not have a Nominations Committee, the Directors regularly review the structure, size, composition (including the skills, knowledge, experiences and diversity) of the Board and make recommendations to the Board with regard to any changes.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours.

Within the Annual Report, the Chairman's statement provides further evidence of the iteration and implementation of the framework that continues to develop the Company's culture and support both existing and new employees. This sets out the Company's purpose, values and culture.

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.

The Investor Relations area of the Company's website includes a Corporate Governance section which, in addition to the high-level explanation of the application of the QCA Code, describes the composition of the Board and its Committees, together with a brief biography of each Board member.

The roles of Committees are described, along with their terms of reference and matters reserved by the Board for its consideration.

Remuneration report

The Corporate Governance section of the Annual Report also details the composition of the Board and its Committees, and the role of each Committee.

Build trust

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

The Corporate Governance section of the Annual Report includes disclosure of Board Committees, their composition and where relevant, any work undertaken during the year. It includes a detailed Remuneration Report. The s172 Statement section of the Annual Report provides details of stakeholder communication practices.

The website includes all historic Annual Reports, results announcements and presentations, and other governance-related material. These can be found in the Investor Relations section, under Regulatory News. This section of the website also includes the results of all AGMs.

The Company follows these principles in the areas that it feels are in line and relevant to the to the size of the business.

This report was approved by the board on 27 June 2024 and signed on its behalf by:



Michael Edwards - Non-Executive Chairman

Independent Auditor's report

**INDEPENDENT AUDITOR REPORT
TO THE SHAREHOLDERS OF STREAKSAI PLC
FOR THE YEAR ENDED 29 FEBRUARY 2024**

Opinion

We have audited the financial statements of StreaksAI PLC (the 'company') for the year ended 29 February 2024 which comprise the statement of comprehensive income, statement of financial position, statements of changes in equity, statement of cashflow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2024 and of the company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs adopted by the United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included the following:

- Gained an understanding of the systems and controls around managements' going concern assessment, including for the preparation and review process for forecasts and budgets.
- Evidence was obtained that management have undertaken a going concern assessment, including sensitivity analysis on cash flow forecasts.

Independent Auditor's report

- Analysed the financial strength of the business at the year-end date.
- Testing the mechanical integrity of cash burn model by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions with reference to external evidence.
- Based on our above assessment we performed our own sensitivity analysis in respect of the key assumptions underpinning the forecasts.
- We performed stress-testing analysis on the core cash expenditure of the business to confirm the liquidity required over the next 12 months.
- We considered post year end performance of the business and the availability of funds in accordance with the entity's plans for continuing operational activities and future growth ambitions.
- We reviewed the adequacy and completeness of the disclosure included within the financial statements in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 9;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 9;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 44 to 45;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 7 and
- The section describing the work of the Audit Committee set out on page 7.

An overview of the scope of our audit

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

Independent Auditor's report

Our application of materiality

	Company financial statements
Materiality	£13,600 (2023: £154,000)
Basis for determining materiality	~2% of gross assets
Rationale for benchmark applied	The rationale for using gross assets as the benchmark for materiality calculation is due to the company's focus on asset utilisation to generate future revenues, given its early-stage status and significant upfront expenses.
Performance materiality	£9,500 (2023: £108,000)
Basis for determining performance materiality	70% of materiality
Rationale for performance materiality applied	On the basis of our risk assessments, together with our assessment of the company's overall control environment and the company being listed, therefore reporting to the external shareholders, our judgement was that performance materiality was 70% of our planning materiality. In assessing the appropriate level, we considered the nature, the number, and impact of the audit differences identified in the previous year's audit.
Triviality threshold	£700 (2023: £7,700)
Basis for determining triviality threshold	5% of materiality

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

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) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Independent Auditor's report

Going concern	
Significance and nature of key risk The company is currently in the development stage of its life cycle, which involves building the platform on which it will conduct its future trade. The company changed its business model during the year. As a result, the company has not yet generated any significant income, creating a foreseeable going concern risk for the entity.	How our audit addressed the key risk The company has a significant bank balance as at the balance sheet date of £565,000 (2023: £2,070,000). We reviewed the post balance sheet financial information associated with the entity to ensure that there are sufficient plans in place to secure the future operational activity. It was identified that there has been a significant reduction in operational expenditure which will slow the cash burn rate of the entity. This includes the pausing of all director fees and salaries for the foreseeable future. We therefore assessed and stress tested the company's cash flow forecasts to ensure that there were sufficient cash balances available to meet its liabilities as they fall due for a period of at least 12 months from approval of the financial statements.
Key observations communicated to the Audit Committee We have no concerns over the material accuracy of going concern disclosures recognised in the financial statements.	
Valuation of intangible assets: £Nil (2023: £63,000)	
Significance and nature of key risk Intangible assets comprise intellectual property and copyrights on software technology to be used in providing services to customers. Intangible assets are carried at fair value less amortisation and are subject to an annual impairment review in accordance with IAS 38.	How our audit addressed the key risk The accounting requirements of IFRS were considered to ensure the valuation of the intangible assets under IAS 36 was appropriate. In considering impairment indicators, as governed by IAS 36, the management assessment was requested. Based on the information provided, management decided to impair the entire balance of the intangible assets, a significant portion of which was related to intellectual property. We reviewed indicators for impairment and assumptions used to justify impairment. The accuracy and appropriateness of intangible assets in the accounts were confirmed to be consistent with the accounting records audited.
Key observations communicated to the Audit Committee We have no concerns over the material accuracy of intangible assets recognised in the financial statements.	

Independent Auditor's report

Valuation of share-based payments: £704,000 (2023: £704,000)	
Significance and nature of key risk The company has a number of share warrants which are yet to be exercised. The share warrants are valued using the Black-Scholes model which is dependant on a number of inputs where the directors are required to exercise their judgement. This is a key audit matter due to the potential for management bias within these judgements.	How our audit addressed the key risk We reviewed the supporting documentation associated with the share warrants to ascertain the key judgements within the calculations which included the risk-free rate, the volatility rate and the small company discount rate. By utilising the use of a valuation expert and following extensive discussion with management, we considered each component and re-performed the calculations. From the work we carried out we are of the opinion that the valuation included within the financial statements is free from material misstatement.
Key observations communicated to the Audit Committee We have no concerns over the material accuracy of the share-based payments recognised in the financial statements.	

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on the Remuneration Report

We have audited the Annual remuneration report set out on pages 12 to 17 of the Annual Report for the year ended 29 February 2024. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with the Companies Act 2006. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with International Accounting Standards. In our opinion, the Remuneration Report of the company for the year, complies with the requirements of the Companies Act 2006.

Independent Auditor's report

Our consideration of climate change related risks

The financial impacts on the company of climate change and the transition to a low carbon economy ("climate change") were considered in our audit where they have the potential to directly or indirectly impact key judgements and estimates within the financial statements.

The company continues to develop its assessment of the potential impacts of climate change. Climate risks have the potential to materially impact the key judgements and estimates within the financial report. Our audit considered those risks that could be material to the key judgement and estimates in the assessment of the carrying value of non-current assets.

The key judgements and estimates included in the financial statements incorporate actions and strategies, to the extent they have been approved and can be reliably estimated in accordance with the company's accounting policies.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 10), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's report

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of intangible assets. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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

Independent Auditor's report

may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

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

Other matters which we are required to address

We were reappointed at the annual general meeting by ordinary resolution in the year to audit the financial statements. Our total uninterrupted period of engagement is 2 years, covering the years ended 28 February 2023 and 29 February 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Independent Auditor's report

Use of our Report

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

Kreston Reeves LLP

Anne Dwyer BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 27 June 2024

StreaksAI plc - Company Number 13279459

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 29 FEBRUARY 2024

		Year ended 29 February 2024 £'000	Year ended 28 February 2023 £'000
	Note		
Continuing Operations			
Revenue		1	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	4	(1,513)	(3,351)
Write down / impairment		(63)	-
Operating loss		(1,575)	(3,351)
Finance income		-	-
Finance costs		-	-
Loss before taxation		(1,575)	(3,351)
Taxation	7	-	-
Loss after taxation		(1,575)	(3,351)
Other comprehensive income		-	-
Total comprehensive loss for the year attributable to shareholders from continuing operations		(1,575)	(3,351)
Basic and diluted earnings per share - pence	8	(0.42)	(1.24)

The accompanying notes on pages 31 to 46 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 29 FEBRUARY

	Note	As at 29 February 2024 £'000	As at 28 February 2023 £'000
NON-CURRENT ASSETS			
Intangible assets	9	-	63
TOTAL NON-CURRENT ASSETS		-	63
CURRENT ASSETS			
Trade and other receivables	11	55	196
Cash and cash equivalents	10	565	2,070
TOTAL CURRENT ASSETS		620	2,266
TOTAL ASSETS		620	2,329
EQUITY			
Share capital	13	379	378
Share premium	13	4,880	4,880
Share based payment reserve	14	704	704
Retained earnings		(5,527)	(3,951)
TOTAL EQUITY		436	2,011
CURRENT LIABILITIES			
Trade and other payables	12	184	318
Deferred revenue		-	-
Lease liability		-	-
TOTAL CURRENT LIABILITIES		184	318
TOTAL LIABILITIES		184	318
TOTAL EQUITY AND LIABILITIES		620	2,329

The accompanying notes on pages 31 to 46 form part of the financial statements

The financial statements were approved by the board on 27th June 2024 by:



Nick Lyth

Finance Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 29 FEBRUARY

	Issued Share Capital £'000	Share Premium £'000	SBP Reserve £'000	Retained Earnings £'000	Total Equity £'000
As at 1 March 2022	154	449	25	(600)	28
Loss for the year	-	-	-	(3,351)	(3,351)
Total comprehensive loss for the year	-	-	-	(3,351)	(3,351)
Shares issued during the year	224	4,432	-	-	4,656
Share-based payments	-	-	679	-	679
Total transactions with owners	224	4,432	679	-	5,355
As at 28 February 2023	378	4,880	704	(3,951)	2,011

	Issued Share Capital £'000	Share Premium £'000	SBP Reserve £'000	Retained Earnings £'000	Total Equity £'000
As at 1 March 2023	378	4,880	704	(3,951)	2,011
Loss for the year	-	-	-	(1,576)	(1,576)
Total comprehensive loss for the year	-	-	-	(1,576)	(1,576)
Shares issued during the year	1	12	-	-	13
Share-based payments	-	-	-	-	-
Share issue costs during the year	-	(12)	-	-	(12)
Total transactions with owners	-	-	-	-	-
As at 29 February 2024	379	4,880	704	(5,527)	436

The accompanying notes on pages 31 to 46 form part of the financial statements

StreaksAI plc - Company Number 13279459

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 29 FEBRUARY

		Year ended 29 February 2024 £'000	Year ended 28 February 2023 £'000
	Note		
Cash flow from operating activities			
Loss for the financial year		(1,576)	(3,351)
<i>Adjustments for:</i>			
Write down / Impairment		63	-
Services settled by issue of warrants		-	679
<i>Changes in working capital:</i>			
Decrease / (Increase) in trade and other receivables		141	(144)
Increase / (decrease) in trade and other payables		(133)	186
Net cash used in operating activities		(1,505)	(2,631)
Cash flows from investing activities			
Purchase of intangible assets		-	-
Net cash used in investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares		-	4,656
Net cash (used in)/generated from financing activities		-	4,656
Net (decrease)/increase in cash and cash equivalents		(1,505)	2,025
Cash and cash equivalents at beginning of the period		2,070	45
Cash and cash equivalents at end of the period	10	565	2,070

The accompanying notes on pages 31 to 46 form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

1 General Information

StreaksAI Plc is a public limited company incorporated in England and Wales and domiciled in the United Kingdom. The registered office and principal place of business is 9th Floor, 16 Great Queen Street, London WC2B 5DG. The Company was incorporated on 19 March 2021

The Company's principal activities and nature of its operations are disclosed in the Strategic Report.

2 Accounting Policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

Regular way purchases and sales of financial assets are accounted for at trade date.

3 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention modified for the revaluation of property, plant and equipment, investment properties and intangible assets to fair value as determined by the relevant accounting standard.

The Company has adopted the applicable amendments to standards effective for accounting periods commencing on 1st March 2023. The nature and effect of these changes as a result of the adoption of these amended standards did not have an impact on the financial statements of the Company and, hence, have not been disclosed.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective – see note 2.15 for reference.

3.1 Going concern

The Company has commenced trade from which it will generate revenue however these revenues are modest. The Company continues to invest in the development of technology and is prioritising this cost. In light of constrained resources, the Company has taken steps to reduce its cash burn, such as deferring Directors fees and terminating external engagements. As a result, the directors are confident that the Company has sufficient resources to meet its liabilities for a period of at least twelve months from approval of the financial statements and the Directors have therefore adopted the going concern basis of accounting in the preparation of the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

3.2 Revenue

The Company has commenced trade from which it generates revenue albeit this is at a low level at present as this revenue is generated from the subscriptions to allow wider access to the Company's chatbot customisation product.

Sale of services

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of the goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

3.3 Segment reporting

There is only one segment and it is reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision maker, who are responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive Board of Directors.

3.4 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives being 3 years and therefore being amortised at 33% straight-line per annum.

3.5 Impairment of intangible assets

At each reporting end date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

3.6 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks and other financial institutions, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. The Company monitors both short-term and long-term credit ratings of the financial institutions it banks with. During the period, the Company banked with Wise and Revolut which have a high rating from Fitch Ratings Inc, being 'F1' short-term and 'A' long-term.

3.7 Financial assets

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through the statement of comprehensive income are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through the statement of comprehensive income are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the Company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

3.8 Financial liabilities

The Company recognises financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

3.9 Equity and reserves

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

The share-based payment reserve is used to recognise the grant date fair value of options and warrants issued but not exercised.

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

3.10 Earnings per share

The Company presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

3.11 Taxation

Tax currently receivable or payable is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred tax asset or liability is settled.

3.12 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements and form assumptions that affects the reported amounts of the assets, liabilities, revenue and costs during the periods presented therein, and the disclosure of contingent liabilities at the date of the financial information. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

The directors have applied the Black-Scholes pricing model to assess the costs associated with the share-based payments. The Black-Scholes model is dependent upon several inputs where the directors must exercise their judgement, specifically: risk-free investment rate; expected share price volatility at the time of the grant; and expected level of redemption. The assumptions applied by the directors, and the associated costs recognised in the financial statement are outlined note 13 in these financial statements

3.13 Foreign currency translation policy

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the statement of comprehensive income.

3.14 New standards, amendments and interpretations

At the date of approval of these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases have not yet been adopted by the UK):

Standard	Standard name	Effective date
IAS 1	Disclosure of Accounting Policies	1 January 2023
IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1	Non-current Liabilities with Covenants	1 January 2024
IAS 7	Supplier Finance Arrangements	1 January 2024
IAS 8	Accounting estimates	1 January 2023
IAS 12	Deferred tax arising from a single transaction	1 January 2023
IAS 12	International Tax Reform – Pillar Two Model Rules	1 January 2023
IAS 21	Lack of Exchangeability	1 January 2025
IFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
IFRS 17	Insurance contracts	1 January 2023
IFRS 17	Comparative Information	1 January 2023

The directors are evaluating the impact that these standards may have on the financial statements of Company and it is not expected these will have a material effect.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

4. OPERATING COSTS AND ADMINISTRATIVE EXPENDITURE

	Year ended 29 Feb 2024 £'000	Year ended 28 Feb 2023 £'000
Administrative costs		
Directors fees	(497)	(152)
Legal, professional and regulatory fees	(936)	(2,497)
Operations costs	(78)	(20)
Other expenses	(2)	(3)
Share based payment charge	-	(679)
 Total administrative costs	 (1,513)	 (3,351)

5. AUDITORS REMUNERATION

	Year ended 29 Feb 2024 £'000	Year ended 28 Feb 2023 £'000
Fees payable to the Company's auditor for the audit of the Company financial statements	(40)	(38)
	(40)	(38)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

6. DIRECTORS' EMOLUMENTS

Directors' remuneration for the Company is set out below and as per Directors Remuneration report:

Their aggregate remuneration comprised:

	Year ended 29 Feb 2024	Year ended 28 Feb 2023
	£'000	£'000
Director's Wages and salaries	191	5
Director's Social security	23	-
Director's Pension costs	2	-
	216	5

Settlement and termination agreements during the period amounted to £Nil (2023: £Nil), included within the totals above.

	Year ended 29 Feb 2024	Year ended 28 Feb 2023
	£'000	£'000
Directors' remuneration and fees	497	152
Company pension contributions to defined contribution schemes	2	-
	499	152

The highest paid director received remuneration of £126,000 (2023: £71,000).

The average number of employees (including directors) during the same period was 7 (2023: 3).

Gender Analysis	Male 2024	Male 2023	Female 2024	Female 2023
	7	3	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

7. TAXATION

No liability to corporation taxes arose in the period.

The charge for the year can be reconciled to the loss per the statement of comprehensive income as follows:

	29 Feb 2024 £'000	28 Feb 2023 £'000
The charge for year is made up as follows:		
Corporation tax on the results for the year	-	-
A reconciliation of the tax charge appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss before tax	(1,576)	(3,351)
Tax credit at the weighted average of the effective rate of corporation tax in UK of 24.5% (2023: 19%)	(386)	(637)
Impact of costs disallowed for tax purposes	15	15
Unutilised tax losses carried forward	371	622
Corporation tax charge for the year	-	-

The Company has total carried forward losses of £4,307,000 (2023: £3,936,000) available to be carried forward against trading profits arising in future periods. No deferred tax assets in respect of tax losses have been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

On 15 March 2023 it was announced that from 1 April 2023 the UK corporation tax rate would increase from 19% to 25% for profits over £250,000. Profits made under the £250,000 threshold will continue to be taxed at a rate of 19%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

8. EARNINGS PER SHARE

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

	29 Feb 2024	28 Feb 2023
Loss for the year from continuing operations - £'000	(1,576)	(3,351)
Weighted number of ordinary shares in issue (number)	378,732,535	270,696,770
Basic earnings per share from continuing operations - pence	(0.42)	(1.24)

There is no difference between the diluted loss per share and the basic loss per share presented due to the loss position of the Company. Warrants could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented.

9. INTANGIBLE ASSETS

2024	Patents £'000
Cost	
At 28 February 2023	63
Additions	-
At 29 February 2024	63
	Patents costs £'000
Amortisation & impairment	
At 28 February 2023	-
Charge for the year	63*
At 29 February 2024	63
Carrying amount	
As at 28 February 2023	63
As at 29 February 2024	-

*The £62,781 Intangible assets in relation to the acquisition of the business from Flatiron Labs Inc have been written off following the change in direction of the company as stated in the Chairman's report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

10. CASH AND CASH EQUIVALENTS

	29 Feb 2024	28 Feb 2023
	£'000	£'000
Cash and cash equivalents	565	2,070
	565	2,070

11. TRADE AND OTHER RECEIVABLES

	29 Feb 2024	28 Feb 2023
	£'000	£'000
Prepayments	35	154
Other receivables	-	42
VAT	20	-
	55	196

12. TRADE AND OTHER PAYABLES

	29Feb 2024	28Feb 2023
	£'000	£'000
Trade payables	120	267
Accruals	57	40
Social security and other taxation	6	1
Other payables	1	10
	184	318

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

13. SHARE CAPITAL

	29 Feb 2024 £'000	28 Feb 2023 £'000
Issued and fully paid ordinary shares with a nominal value		
of 0.1p Number of shares	378,732,535	378,312,535
Nominal value (£'000)	379	378

The following shares were allotted during the period ended 29 February 2024:

	Number of shares	Called up Share capital	Share premium
Allotment of shares 29 August 2023	420,000	420	12,180
	420,000	420	12,180

Change in issued Share Capital and Share Premium:

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
Ordinary shares				
Balance at 1 March 2023	378,312,535	378	4,880	5,258
Issue of share capital	420,000	1	12	13
Share issue costs	-	-	(12)	(12)
Cancellation of warrants	-	-	-	-
Balance at 29 February 2024	378,732,535	379	4,880	5,259

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

14. SHARE BASED PAYMENTS

	£'000
Balance as at 1 March 2023	704
Warrants issued in the period	-
Warrants cancelled in the period	-
Balance as at 29 February 2024	704

On 5th January 2023 the Company granted:

- 45,499,000 employee / investor warrants with an expiry date of 3 years from the grant date and an exercise price of 6 pence.
- 4,501,000 advisor warrants with an expiry date of 3 years from the grant date and an exercise price of 6 pence.
- 6,000,000 advisor warrants with an expiry date of 5 years from the grant date and an exercise price of 3 pence.

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

Date of grant warrants	Number of Warrants	Share price	Exercise price	Expected volatility	Expected life	Risk Free rate	Expected dividends
5th January 2023	45,499,000	£0.03	£0.06	75%	3	3.38%	0.0%
5th January 2023	4,501,000	£0.03	£0.06	75%	3	3.38%	0.0%
5th January 2023	6,000,000	£0.03	£0.03	75%	5	3.38%	0.0%

The following warrants over ordinary shares have been granted by the Company and are outstanding:

Grant date	Expiry period	Exercise price	Outstanding at 29 February 2024	Exercisable at 29 February 2024
18-Oct-21	3 years from issue	£0.01	26,700,000	26,700,000
05-Jan-23	3 years from issue	£0.06	45,499,000	45,499,000
05-Jan-23	3 years from issue	£0.06	4,501,000	4,501,000
05-Jan-23	5 years from issue	£0.03	6,000,000	6,000,000
			82,700,000	82,700,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

As at 29 Feb 2024

	Weighted average exercise price	Number of warrants
Outstanding at the beginning of the year	4.17p	82,700,000
Cancelled during the year (warrants)	-	-
Vested during the year	-	-
Issued during the year	-	-
Outstanding at the end of the year	4.17p	82,700,000
Exercisable at the end of the year	4.17p	82,700,000

15. FINANCIAL RISK MANAGEMENT

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (price risk), credit risk and liquidity risk. The Company's overall risk management program seeks to minimise potential adverse effects on the Company's financial performance. The Company has no borrowings but is exposed to market risk in terms of foreign exchange risk. Risk management is undertaken by the board of directors.

Market risk - price risk

The Company is exposed to price risk primarily for the costs of operating in the AI software industry. However, the costs of operating AI technology has been falling throughout the reporting period and is anticipated to fall further so that the actual costs of generating the content will not be a significant part of the Company's cost base.

Credit risk

Credit risk arises from outstanding receivables. Management does not expect any losses from non-performance of these receivables. The amount of exposure to any individual counter party is subject to a limit, which is assessed by the board. The Company considers the credit ratings of banks in which it holds funds in order.

Liquidity risk

Liquidity risk arises from the Company's management of working capital. Controls over expenditure are carefully managed, in order to maintain its cash reserves. During the course of the year, the Board of Directors took action to reduce the monthly expenditure of the Company so as to mitigate this risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure. The Company has no borrowings. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

16. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

29 Feb 2024	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets/ liabilities	£'000	£'000	£'000
Trade and other receivables	20	-	20
Cash and cash equivalents	565	-	565
Trade and other payables	-	(185)	(185)
	575	(185)	390

28 Feb 2023	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Financial assets/ liabilities	£'000	£'000	£'000
Trade and other receivables	42	-	42
Cash and cash equivalents	2,070	-	2,070
Trade and other payables	-	(318)	(318)
	2,112	(318)	1,794

17. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

The Company has a nominal capital commitment in relation to its pension contribution. There are no contingent liabilities at 29th February 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

18. RELATED PARTY TRANSACTIONS

The Company made payments to the following companies in relation to directors' fees:

		29 Feb 2024	28 Feb 2023
		£	£
Carraway Capital Corp. ¹	Mr Mark Rutledge	48,000	32,500
Dark Peak Services Ltd ²	Mr Nicholas Lyth	30,000	60,000
Marallo Holdings Inc. ³	Mr Michael Edwards	96,000	16,000
Infinity Growth Digital Inc. ⁴	Mr David Raphael	90,000	15,000
		264,000	123,500

¹ At year end there was an amount of £9,000 owing to Carraway Capital Corp in relation to fees

² At year end there was an amount of £7,500 owing to Dark Peak Services Ltd in relation to fees

³ At year end there was an amount of £24,000 owing to Marallo Holdings Inc in relation to fees

⁴ At year end there was an amount of £22,500 owing to Infinity Growth Digital Inc in relation to fees

19. ULTIMATE CONTROLLING PARTY

In the opinion of the Directors as at the year end and the date of these financial statements, there is no single ultimate controlling party.