i-nexus
Strategy Execution Software

i-nexus Global plc

Strategy Execution Software

Annual Report and Accounts 2021

Setting the standard for Strategy Execution

Welcome to our 2021 Annual Report

At i-nexus, we believe that by digitally transforming Strategy Execution, our customers take control and ensure that every action, measurement and decision contributes to achieving organisational goals

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2021 Highlights:

Continued to respond to the ongoing Covid pandemic

- Despite the ongoing impact on enterprise software budgets, we were successful in closing four new deals across the year with three being in the last quarter
- Proliferation results at our customers have been disappointing compared to previous years, but there have been early signs of positivity in this area more recently
- We continued to review our cost base; we are lean, but we continue to deliver great value to our customers, further develop our world class platform and drive a developing pipe
- Financial position of the company secured for the near term by the £1.975m of Convertible Loan notes subscribed for during the year by shareholders

Focussed efforts on the Go to Market strategy

- Sales & Product worked in unison to demonstrate our ability to regularly and in a simplified manner deliver "test drives", managed trials and pilots during the sales cycle
- After our experiences in FY20 we reviewed our sales strategy and refined it, with laser focussed qualification being key to reliable delivery of deals
- Marketing initiatives started to bear fruit as we saw the highest historical results in terms of engagement, reach and therefore leads; confirming our ability to rebuild our prospect pipeline
- We saw our profile on the G2 platform in the category "Strategic Planning Software" increase dramatically; validating the quality of our product, services and support
- G2 also provides evidence of the development of the Strategy Execution market with hits increasing by 71% to 10,600

Sales momentum emerged in Q4 and is continuing in FY22

- At the time of writing this report we have closed six recurring revenue deals in six months; validating our ability to win new business
- This is the longest period on record of regular deal delivery
- Our average deal size is increasing to better levels
- We now have clear predictable conversion rates of leads into deals

After another tough year we have emerged in a strong position and ready to deliver double digit net Monthly Recurring Revenue (MRR) growth in FY22.

STRATEGIC REPORT: Company Overview

i-nexus helps organisations achieve their goals. Whether executing a strategy, driving operational excellence and continuous performance improvement, or coordinating portfolios and programs to transform results, i-nexus strategy execution software underpins success.

Our Vision

To transform how organisations execute plans with software that cuts complexity, drives delivery, and empowers everyone's success.

Our vision is built on three key principles:

- Taking ownership: our industry reputation, expertise and leading software keep us at the forefront of innovation in the Strategy Execution Management (SEM) and Strategic Portfolio Management (SPM) markets.
- Guiding the journey: our G2 award-winning team guide customers through the unique challenges of executing strategy, achieving operational excellence, and coordinating portfolios and programs.
- Enabling real change: our approach helps customers deliver real-world business change.

The Problem We Solve

Getting everyone focused and collaborating on delivering strategy is daunting. With 61% of organisations failing to connect strategy to execution, the size of the problem is significant. Connecting the dots – plans, portfolios, processes, and teams – is the remedy to the obstacles of change and distractions.

When obstacles grow, so do the chances of failure. Failure to plan and communicate clear goals creates confusion. Failure to turn plans into action, and execute effectively, slows delivery. Failure to track delivery makes it near-impossible to fine-tune and, ultimately, cause results to fade.

How We Solve It

As a G2 award-winning Strategy Execution software provider, i-nexus is the hub of all the plans, work and reviews critical to delivering success.

Our software helps businesses achieve their goals in two core areas:

- Strategy Execution, covering methodologies such as Hoshin Kanri and Balanced Scorecard to deliver on ESG and M&A goals, Revenue, Cost, CAPEX, and Digital Transformation programs, and support Private Equity companies manage their portfolio companies.
- Operational Excellence, covering approaches such as Kaizen, Lean, Six Sigma, and Project Management to help with improving processes, eliminating waste in the pursuit of continuous improvement, driving compliance, minimising risks, and promoting better levels of governance.

We offer more than software. With over 15 years' experience in the space, our expert guidance helps organisations at all levels of maturity raise the profile of Strategy Execution within their business. Today, we support organisations in managing over 200,000 strategic programmes around the world.

As a thought leader, our mission is to grow and educate the emerging market for Strategy Execution solutions. We are working towards a future where all organisations will recognise that digitalising their approach to delivering goals is the best way to take their results to the next level. i-nexus leads that future.

How The Software Works

i-nexus transforms how organisations plan, execute, and track goals.

We inspire the confidence to leave behind the spreadsheets, presentations and reports those organisations rely on, replacing it with a cloud-based, collaborative solution.

i-nexus contains three core tool groups:

- Plan, covering tools such as the X-Matrix, strategic portfolios, scenario planning, and objective setting to coherently plan and deploy goals across the organisation and roll them back into strategy.
- Execute, covering tools such as templates and workflows, project management, program management, and idea management, to execute plans, while navigating risks, resources, and roadblocks, according to the organisation's processes and practices.
- Track, covering tools such as operational scorecards, metric journals, KPI Bowling Charts, automated reporting, and benefits and financial impact visuals to track delivery and bring i-nexus into performance reviews, letting data drive decisions.

With i-nexus providing the tools to underpin the end to end delivery of goals, our customers are set to deliver results like never before – because we have the solution for their challenges today, tomorrow, and beyond.

STRATEGIC REPORT:
Chairman's Statement

"We remain confident that the market we address is emerging and that i-nexus is a leading automation product enabling enterprises to deploy strategy more efficiently. We are also confident that we are running as lean a cost base as manageable in challenging times, that we have the appropriate and committed management team and that our core market is undoubtedly growing."

For many businesses 2020/21 remained challenging due to economic and commercial uncertainty coupled with all the ongoing disruption caused by the global pandemic. Of course, certain businesses were in the right markets to benefit from the unprecedented demands created by this environment, whilst others were on the wrong side of the "must have/like to have" decision process. However, while in FY20 we saw many large businesses retract from longer term decision making on procuring discretionary enterprise software purchases, during FY21 we saw a distinct change in behaviour from our existing and potential customers as they returned to addressing the fundamental challenge of increasing longer term productivity.

Critical to addressing this challenge is how enterprises deploy their strategy. Having agreed strategic goals, their attention turns to critical questions about how they set the goals across large and complex businesses, how they measure whether or not they are on track to achieve those goals and finally what to do to course correct if they are not on target. As a Board we are confident that the challenge which i-nexus addresses, the automation of Strategy Execution and Operational Excellence, is one which all businesses face, and more and more will seek to address over the coming years. We remain confident that we have an extremely capable solution as demonstrated by the quality of the customers which we currently serve and those with which we are currently negotiating.

i-nexus Global plc went into the FY20 downturn in a particularly weak position, both from a cash and from a sales perspective, but crucially we were supported at this critical time by our major shareholders. We demonstrated to those shareholders the inherent value in this business in terms of the technology we have developed, the customers who have deployed it and the new customers who have signed contracts or are currently in our pipeline. We all acknowledge that there was, and continues to be, considerable uncertainty about the speed at which the market for Strategy Execution software develops but are confident that there is a significant market to address and that such deployments go to the heart of how businesses operate. We remained 'hunkered down' during FY21, keeping costs to a minimum, successfully rebuilding our sales pipeline, continuing to service our existing customers, signing new ones and continuing on a more limited basis to develop our technology. Preservation of cash until such time as we can see a clear, sustainable improvement in sales and revenues, remained our number one priority and remains so.

Although we successfully signed a number of new customers during FY21 we were hit by higher levels of churn amongst some of our existing customers than we were anticipating. The principal drivers for this churn were M&A activity and customers who found themselves in particularly hard-hit industries. In retrospect, given the considerable M&A activity

STRATEGIC REPORT:
Chairman's Statement continued

amongst our customers, such events are not entirely unexpected. We have continued to support such customers in a totally professional manner and one in particular, having been acquired, has already started a new pilot to deploy i-nexus across the new merged entity. The result of this higher than anticipated churn was a tighter than anticipated cash position which was once again supported by our shareholders.

We remain confident that the market we address is emerging and that i-nexus is a leading automation product enabling businesses to deploy strategy more efficiently. We are also confident that we are running as lean a cost base as manageable in challenging times, that we have the appropriate and committed management team and that our core market is undoubtedly growing.

Although we believe that the stock market currently undervalues the business on any comparable metric, we recognise that the management of the business must demonstrate to investors that i-nexus has the exciting potential we can see and that we as a team can realise the results we envisage. Whilst we do so, we will manage our cash resources as effectively as possible, continue to develop one of the best platforms available to enable the automation of business improvement and strategy deployment and continue to drive our exciting sales pipeline as hard as our resources permit.

Finally, I would like, once again, to thank our management team and employees for their dedication and commitment during these challenging times. I would also like to take this opportunity to thank all shareholders who have continued to support the business and in particular those who subscribed for additional Loan Notes during the most challenging of times. They have given the business the opportunity to continue to pursue the growth in new and existing customers and ultimately the financial results the management team work unstintingly to achieve.

Richard Cunningham
Chairman

26 January 2022

STRATEGIC REPORT:
CEO's Statement

"The changes brought by the pandemic have highlighted the need for scalable, robust, digital Strategy Execution tools and the market for our software is growing. We are confident we are well positioned, with a differentiated offering, to play a leadership role in this maturing market and are focused on delivering a year of growth."

Overview

We have emerged as a stronger business as a result of the commercial and operational challenges of FY21. After the major milestone in FY20 of deploying an upgraded version of i-nexus with a new modern interface across all our customers, which has deepened our understanding of our customers' needs, we are generating the highest number of new sales leads per month, on average one new demo request is arriving per working day and the start of a stable cadence of new contract wins is now visible. We are now moving into what I expect to be an exciting phase in i-nexus' history.

Our shareholders were an invaluable support during the challenges of FY21 and have provided the means for us to get back on a growth trajectory. I would like to add my thanks for that to those expressed by our Chairman.

Trading

The substantial challenges posed by the pandemic continued in the year, but the ongoing investments made in our products and the changes to our Go To Market ("GTM") strategy started to deliver an increase in new customer win rate in Q4, increased industry recognition and a growing confidence across the business as we head into FY22. The efforts we have made in cash conservation and the uplift in revenues meant we traded on an EBITDA positive footing (adjusted for non-underlying items) for the last three months of the year, with a visible cash runway.

The fundraising gave us much needed working capital. We remain conscious of the challenges that still lie ahead, but we are passionate about continuing to deliver on our growth strategy in the coming year while carefully managing our cash resources to ensure the long-term future of the business.

Market opportunity

All businesses set goals, plan how to deliver them and track performance. The challenge is if they can do this at pace, with insight and high levels of visibility across their complex operating environment. In most cases the answer to this is no and this is where i-nexus' software delivers considerable value. While the last 18 months has been painful for many, it brought into focus the importance of strategy being up to date, all in one place and at the fingertips of those driving a business forward and most importantly, remotely and digitally accessible. This, we believe, will see the momentum we have seen in recent months continue and grow in the coming year.

Sales & Marketing activity

Since the launch of our next generation platform, i-nexus Workbench last year, we are encouraged by the exceptionally positive response from existing customers and the high level of interest from new prospects. The flexibility and usability of the platform has enabled us to implement live trials and "test drives" for prospects for the first time, enabling high levels of engagement where prospects can see their own data in the system, providing a powerful proof of the ROI which can be delivered.

The success of these trials and test drives can be seen in the uplift in customer win rate in Q4 and into the

STRATEGIC REPORT:
CEO's Statement continued

new financial year, with five trials converted into annual contracts since July 2021 – an encouraging run rate of new business not experienced for some time.

The four new customers signed in the year were a major domestic appliance manufacturer, the first of six portfolio companies of a US-based Private Equity business, with further companies in their portfolio now evaluating the platform, a European pharmaceutical organisation and a European automotive technology company. Subsequent to the year end, we have signed one further contract with the second of the portfolio companies mentioned above with further deals progressing through contracting.

We currently have several further live trial implementations at multiple enterprises across the US, UK and Europe and a paid Pilot with a major technology company. We continue to see an uplift in new business enquiries as a result of our targeted marketing activities but are mindful that the economic backdrop remains uncertain.

Existing account activity

Typically, our software is initially utilised within one division of our customers, or one geography, with considerable scope for further expansion. However, within the year, we saw lower levels of customer expansion deals than previously with only two notable additions, a cross sell at an existing account to a new geography, Singapore and the conclusion of an enterprise deal with a major technology company whereby their MRR will ramp across the next 3-5 years. Despite these two increases success elsewhere was limited with COVID-19 continuing to impact enterprise software budgets. We have seen some improvement post year end and anticipate a higher level of customer expansion deals in FY22.

Marketing

We have seen a considerably higher level of new business enquiries as we progressed through the year, reflecting both the improving business landscape and our inclusion on G2, the world's largest online technology marketplace within the best "Strategic Planning Software" category. Having not appeared in this list previously, we now consistently rank highly, having received 42 reviews and three awards. Year on year the result is encouraging with new contacts nearly twice last year's average, content download 1.5 times those on average a year ago and both returning contacts and returning web visits at least five times those a year ago. All of this activity has seen our rate of leads and, importantly, demo requests increase.

Our focus for the year ahead will be to convert this increase in marketing reach, maintain this consistency in the rate of new customer acquisition, expanding with our existing customers and delivering net customer growth.

Business structure

The business comprises four core teams: GTM, (Sales & Marketing), Product (Development, Product & Cloud Ops), Success, (all the customer facing & delivery teams) and Business Support (Finance, HR & Admin). Each team has clearly laid out performance metrics and KPIs, to be delivered against quarterly. A key feature of the change in the GTM approach has been to utilise domain experts, with an in-depth knowledge of i-nexus, throughout the sales cycle. This has enabled a far greater level of interaction with the prospects team as peers. In addition, we have also adopted a similar approach in customer success, whereby our Solution Consultants are acting as success managers for our accounts. Both these changes are delivering positive results.

As with many software companies, we are an agile business and well-equipped to facilitate remote working. Our staff continue to work successfully from home, with no disruption to the Group's continuity of service and indeed some benefits of the greater ease of collaboration. We took the decision in the year not to renew the lease on our Coventry HQ. We require a more flexible workspace for the future as lockdown restrictions lift and resource planning can become more definitive.

Innovation

Evolving market

Our software category – Strategy Execution Management (SEM) – continues to evolve and gain momentum as companies accelerate digitising mission-critical processes in this post pandemic world. Faced with market uncertainty, this "new normal" future requires companies to increase responsiveness by dynamically managing their strategic plan; something that we believe simply cannot be achieved in spreadsheets and other conventional productivity tools.

The growing importance of the SEM market has been acknowledged by leading analysts including Gartner Research, with SEM now considered an integral part of the new Strategy Portfolio Management (SPM) software category.

Competition

Our competitive landscape has shifted accordingly. Falling under Strategy Portfolio Management (SPM) from an analyst perspective, has had two effects. It has both distanced us from many previous SEM competitors but also introduced new SPM competitors.

Against remaining SEM vendors, i-nexus is differentiated in both its depth of capabilities and its ability to support larger deployments where stringent IT requirements – including data security – must be met and flexibility in configuration is needed. Those capabilities include the X-Matrix interactive planning tool used by multiple Strategy Execution methodologies including Hoshin Kanri.

i-nexus has two clear advantages in Strategy Execution against SPM vendors: powerful strategic planning and performance management capabilities that complement portfolio management features. Plus, i-nexus' customers benefit from experience gained from over 15 years of market experience in Strategy Execution.

Customer priorities

The past twelve months have seen the emergence of two clear trends in customer priorities. The first is around the governance of strategic data. Responding to changing market conditions requires real-time strategic insight that depends ultimately on quality data. Customers increasingly rely on i-nexus to centralise and manage this data, and furthermore present executives with visualisation and reporting on strategic health.

The second noticeable trend is growing interest in rethinking the traditional annual strategic planning process, applying agile principles to strategic planning and delivery. Approaching Strategy Execution in a more incremental way enables customers to regularly assess not just progress toward the strategic plan but also any internal and external factors that might warrant strategic course correction.

In the year ahead we will continue to evaluate our product market fit and deliver those enhancements that respond to the market needs, especially those resulting from a greater extent of virtual operations.

Partners

While we secured one new customer at the start of the year via a partner, our consulting partners largely continued to be impacted by COVID-19, seeing their own pipelines slow down and facing substantial uncertainty, we therefore have reduced our focus on this area for the time-being.

People

Once again, I would like to thank our amazing team personally and on behalf of the Board. We are incredibly lucky with the talent and commitment of the team that we have at i-nexus. This has not been an easy year, but everyone has worked incredibly hard to make it a success and I am delighted for all of us that we are now starting to see the fruits of those labours.

Current Trading and Outlook

We exited the year with a Monthly Recurring Revenue ("MRR") rate of £235k and we continue to trade on a monthly EBITDA positive basis. Importantly, we have seen levels of non-renewing customers reduce considerably over the last five months and we do not expect to see a repeat of the rates seen last year.

Our sales pipeline continues to develop with solid new opportunities being created monthly and we have seen a general shortening of sales cycles, reflecting in our improved conversion metrics. We therefore enter the next financial year with a greater level of optimism.

The changes brought by the pandemic have highlighted the need for scalable, robust, digital Strategy Execution tools and the market for our software is growing. We are confident we are well positioned, with a differentiated offering, to play a leadership role in this maturing market and are focused on delivering a year of growth.

Simon Crowther
Chief Executive Officer

26 January 2022

STRATEGIC REPORT: Chief Financial Officer's Report

"With the pattern of deal flow we are experiencing currently we expect to be self-sufficient in working capital terms in FY22 and can therefore start a prudent series of investments in resources to help us accelerate our growth."

Reported Revenue

Revenue reduced to £3.6m (FY20: £4.1m) as the COVID-19 pandemic continued to affect our rate of new deal conversion and professional services billing until the last quarter of the year. The Group signed four new customers, three in the last quarter (FY20: two), all under recurring contracts of more than one year in length, paid in advance annually. Upsells and cross sells in our existing accounts were lower than previous years, adding £10k Monthly Recurring Revenue ("MRR") in the year (FY20: £40k). At the same time we experienced exceptional levels of non-renewing contracts, some of which were a direct result of COVID-19, and we exited FY21 with closing MRR of £235k (FY20 exit MRR: £305k).

Revenue from recurring contracted software subscriptions was £3.3m (FY20: £3.7m), this reduction reflecting the low levels of new MRR generated from sales and the high level of non-renewing contracts. Revenue from associated professional services was £0.3m (FY20: £0.3m). We had expected some resurgence in our services billing closer to levels seen historically, but this did not materialise during the earlier part of the year. This is also showing signs of improvement in the last three months of the year with billing in this area reaching an average of £29k per month from an average of just £5k per month from December 2020 to May 2021.

Gross Margin

Gross margin in the year was £3.0m, or 83% (FY20: £3.0m, or 73%) after accounting for commission payable to the Group's business partners. This improvement is a demonstration of how well the team have responded to the pressures on the business in the past twelve months.

Reported gross margin is the combined gross margin over both recurring software subscriptions and professional services.

Overheads

Overheads (defined as the aggregate of staff costs and other operating expenses, but excluding those costs included in cost of sales, depreciation of tangible assets and amortisation of intangible assets, and share based payment charges) reduced by 27% in the year to £3.9m (FY20: £5.31m). This cost saving was a combination of a full year of reduced headcount, continuing to utilise the Government Furlough scheme, albeit at a much lower rate, not renewing the Lease on the Coventry office and other savings related to software use and other general overheads savings. Included in overheads was £0.04m (FY20: £0.2m) of non-recurring administrative expenses as a result of the redundancies. Our monthly run rate of total costs, both cost of sales and overheads dropped by approximately £100k in the year to close at approximately £270k. Interest expense at £156k is up on the previous year by £102k as the recognition of rolled-up interest expense on the first tranche of convertible loan notes commenced. Cash interest paid dropped from £40k to £22k as the historical venture debt continues to be paid down.

Adjusted EBITDA and net loss for the year

Our focus for the year was to remain as close to EBITDA breakeven as we could to conserve cash. These efforts were rewarded by the final quarter as we traded profitably at EBITDA level (adjusted for non-underlying items) for the last three months and are continuing to do so in the new financial year. Adjusted EBITDA (EBITDA before Depreciation, amortisation, impairment and loss on disposal of assets, Share based payments and non-underlying items) was a loss of just £0.3m as a result (FY20: loss £1.8m).

Group loss before taxation reduced to £1.1m (FY20: £2.4m), a result that reflects the cost reductions made. There are minimal plans to increase the cost base in the coming year, restricted to well targeted investments in lead generation, projects designed to improve conversion rates and in marketing initiatives with our partners. These investments will only be made as net new MRR increases thus releasing cash to enable them.

Cash Flow

The Group has cash & cash equivalents at the period end of £0.58m (FY20: £0.12m). The Group's cash position was enhanced during the year with successful fund raises to secure £1.975m as a result of the issue of Fixed Rate Unsecured Convertible Redeemable Loan Notes.

Gross debt at 30 September 2021 was £1.90m (FY20: £0.24m), of which £0.07m (FY20: £0.18m) was payable within one year.

The Group experienced a reduced outflow of funds from operating activities of £0.5m (FY20: £2.0m) and a net outflow from operating activities of £1.0m (FY20: £0.5m). This net outflow was largely the result of the repayment of HMRC deferrals and other accumulated creditor balances resulting from our pressured cash position towards the end of last year. The Group had a cash inflow of £1.8m (FY20: outflow of £0.2m) from financing activities.

The funds raised during the year provide additional working capital to facilitate the continued implementation of the Group's plans and will be applied entirely towards meeting the Group's ongoing working capital requirements. With the pattern of deal flow we are experiencing we expect to be self-sufficient in working capital terms in FY22 and can therefore start a prudent series of investments in resources to help us accelerate our growth.

Careful cash management will continue to be a priority focus for the Board. The Group continues to apply treasury and foreign currency exposure management policies to minimise both the cost of finance and our exposure to foreign currency exchange rate fluctuations.

The Group prepares budgets, cashflow forecasts and undertakes scenario planning to ensure that the Group can meet its liabilities as they fall due. As was the case last year the uncertainty as to the ongoing impact on the Group of COVID-19 has been considered as part of the Group's adoption of the going concern basis. In particular, the ongoing impact of COVID-19 may continue to cause sales cycles to extend and make it difficult to forecast future sales.

The Board's assessment in relation to going concern is included in Note 1.4 of the financial statements. The Group's principal risks and uncertainties are set out in the Strategic Report.

Capital expenditure

The Group operates an asset light strategy and has low capital expenditure requirements, therefore expenditure on tangible fixed assets is very low at less than 1% of revenue (FY20: 3%). The main area of capitalisation is the development of the Group's product software which amounted to £0.3m in the year (FY20: £0.6m).

The Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. This is reflective of the continual evolution of the market in which the Group operates and the needs of its customers, both present and prospective, and the Group's agile approach to continually developing and improving its offering.
By necessity, this may mean that expenditure on intangible assets meeting the recognition criteria may later become impaired. As a result of this review we determined an impairment of £0.29m was necessary in the year (FY20: £0.11m).
Our development capacity is contributing to the marketability of the Group's products, the product launch last August is proving to be strategically important to us as the success of trials and pilots is becoming evident.

Alyson Levett
Chief Financial Officer

26 January 2022

STRATEGIC REPORT:
Principal Risks and Uncertainties

Although the Directors seek to minimise the impact of risk factors, the Group is subject to a number of risks which may have a material effect on its reputation, financial or operational performance. Key areas for on-going risk management are as follows:

Risk	Description	Mitigation
Working capital Vulnerability of the Group's long term working capital.	Whilst the Directors believe that the recent injection of funds, as a result of the Convertible Bond issues in November 2020 and more recently in September 2021, will provide the necessary flexibility to satisfy the Group's near-term funding requirements, there can be no guarantee as to the Group's medium to longer term working capital requirements and, therefore, the Group may need to seek additional capital over and above that raised from the issue of the Convertible Loan Notes. No assurance can be given as to the availability of such additional capital at any future time or, the terms upon which such additional capital would be available. The proceeds of the Convertible Bond issue will provide the necessary flexibility in the event that the expected growth in revenues does not materialise in the near term, the Group's continuing viability in the longer term remains critically dependent on its ability to secure new sales to existing and potential customers. Given the nature of the COVID-19 Pandemic, it is not possible to know the potential impact of the ongoing crisis on the activities of the Group for the current financial year and beyond and, in particular, it is possible that as a direct or indirect result the Group will continue to experience a slower and/or lower sales conversion rate than the Directors have modelled within their central case financial projections. This could in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.	The Group prepares regular business forecasts and monitors its projected cash flows, which are reviewed by the Board. The scenarios and sensitivities demonstrate that there are actions management can implement should the plans not deliver the growth hoped.

Risk	Description	Mitigation
COVID-19 Pandemic The ongoing impact of the Pandemic cannot be predicted.	The COVID-19 Pandemic has affected the performance of the business of the Group. As at the date of this document, given the nature of the crisis, where new variants are emerging and infection rates are increasing, the Group is not aware of the full extent of the effects of the COVID-19 Pandemic for the near and medium term. The global economic slowdown resulting from the COVID-19 Pandemic requires a number of businesses worldwide to make adjustments to their operating models. Whilst the Group continues to monitor the situation on a regular basis and may be able to introduce further cost saving measures if needed, it is possible that in the longer term the COVID-19 Pandemic will have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Also, there is no assurance that the implementation of the Group's strategic and operational changes introduced to date will be successful under current or future market conditions.	In addressing the impact of the COVID-19 Pandemic on its markets and its customers, the Group has continued taking action to reduce its operating cost base in cash terms. Staffing expense reductions have been implemented and this has been combined with reduced discretionary spending. This has reduced the Group's monthly operating cost significantly to approximately £270,000. The Group have identified further actions that can be taken to reduce its cost base further should this prove necessary.
Implementation of Growth Strategy Failure to successfully implement its growth strategies.	The Board recognises that executing the Group's strategy may be difficult to implement/achieve and may not be as successful as planned. Pressure on management, limitations on operational and financial resources, the potential insufficiency of demand for the Group's products and a slower than anticipated market acceptance of the Group's products could lead to failure to successfully implement its strategies and so adversely affect the Group's reputation, prospects, results of operations, and its financial condition.	The Board monitors and manages these strategies against market conditions, monthly performance against budget and cash available.

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Digitising Strategy Execution Failure of the market to accept the need/urgency to digitise their Strategy Execution (SE).	A large proportion of the Group's target market continues to use traditional methods and in-house developed systems to assist in their SE. The Board believes the market needs further education in the benefits of digitising SE. Potential customers may prefer to "do nothing" and be unnecessarily cautious about investing in the Group's software. Failure by the Group to adequately explain the value proposition to increase the market's readiness to accept the technology will lead to slower than projected growth.	The Group has internal sales and marketing functions, which are also supported by an important network of consulting partners, that work with potential customers to educate on the benefits the product can offer an organisation. Furthermore the impact of COVID-19 is making the need to digitise strategy more widely accepted.
Account Proliferation Failure of our existing accounts to grow, resulting from dissatisfaction with the product and/or deployment issues.	An important aspect of the Group's growth strategy is to proliferate sales of its i-nexus software with existing customers as a result of the natural evolution of the software use over time. Although the Group has a number of examples where this has occurred in the past, this is no guarantee that it will continue to happen at the increasing rate predicted. Any failure of this anticipated account proliferation to happen will affect the Group's future success and adversely affect its business, prospects and results of operations and financial position.	The Group has a number of Success managers. This team's efforts at growing our existing accounts has been assisted by the recent product enhancements aimed at improving user experience. Feedback has been excellent, highlighted in the number of positive reviews on the G2 platform discussed elsewhere in this report. The Board continue to monitor the efficacy and outcomes of the Group's efforts in cross-selling and upselling.
Dependence on Channel Partners Failure to develop this additional route to market effectively.	Part of the Group's strategy is to increasingly sell its software through channel partners. There are no guarantees that sufficient channel partners will be found to sell the Group's software at the rates planned. The Directors are confident that engagements to date by existing and prospective channel partners provide strong evidence of the opportunity in this regard. However, there is a risk that the loss of any one or more existing channel partners and/or failure to secure enough productive channel partners in the future could affect the Group's future success and adversely affect its business, prospects and results of operations and financial position.	Renewed efforts in relation to the evolution of this strategic theme will take place in 2022 as investment in resource is unlocked by growth. The Board will closely monitor progress.

Risk	Description	Mitigation
Dependence on key Customers Failure to retain our larger key customers.	A small group of key customers provide nearly half of the Group's MRR. One of the Group's key customers represents approximately 19 per cent of current MRR. The Group's financial performance is therefore partly dependent on the continued business relationship with these key customers. Failure to manage the ongoing renewal of the contracts with these key customers on a commercially acceptable basis could materially affect the Group's operations and/or its financial condition.	As previously reported The Group has a dedicated team of long standing experienced professionals acting as Success managers. They have well established processes and reporting that allow them to get early warning of any issues. In addition, a substantial proportion of our remaining customer base in value terms have either renewed, are renewing or are on long term contracts, giving us comfort over the security of the bulk of our base. Whilst this cannot guarantee renewal of all other customers in the face of disruptive external factors we can't foresee or manage, risk is expected to be lower this year than last.
Software Reliability Undetected defects in the software provided by the Group.	If the software provided to our customers contains undetected defects when first introduced or when upgraded then the Group may fail to meet its customers performance requirements or otherwise satisfy contract specifications. As a result it may lose customers and/or become liable to its customers for damages and this may among other things damage the Group's reputation, business, prospects, results of operation and financial condition.	The Group targets significant investment in product R&D. This includes performance enhancements, bug fixes and integration of new technologies, all of which undergo substantial testing before releasing to customers. In addition the Group endeavours to negotiate limitations of liability clauses in its customers' contracts.
Software Applicability The i-nexus software may not perform as expected or meet customers' changing expectations quickly enough.	There is no guarantee that the i-nexus software will perform as intended or meet customer expectations either in terms of functionality, performance or usability. Costs spent on developing the i-nexus software may therefore not be recouped at the rate anticipated or at all, and this may result in reduced profitability for the Group.	The Board feels that recent enhancements along with the Group's product strategy and R&D focus has de-risked this area. The Board monitors user satisfaction and the extent to which the software continues to meet customer expectation through various channels, including on the G2 platform.

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Market Growth Failure of Strategy Execution market to grow at the rate expected.	The Board believe that there is strong evidence supporting the growth in the adoption of Strategy Execution software. However, there can be no assurance that this growth will happen at the rate envisaged by the Directors. If the market fails to adopt Strategy Execution software at the rate envisaged then this will affect the Group's future success and adversely affect its business, prospects and results of operations and financial position.	The Board do not consider this year's new deal performance to be indicative of an underlying weakness in the market for the Group's product. The impact of COVID-19 has been highlighted elsewhere in this report. However it is clear from competitor activity, activity on the G2 platform we are part of and Gartner and Forrester interactions that the Strategy Execution Management market is evolving. The Board continues to monitor market evolution and the Group's response to this.
Competitors The Group may face competition in a rapidly evolving market.	The Group may face an increasing amount of competition in the future as the market expands, making entry to it more attractive. Whilst the Group has achieved its market position through a deep understanding of the market, and the 10 years of development of its i-nexus software which places the Group in a strong position, there is no guarantee that the Group's competitors and potential competitors (who may have significantly greater financial, marketing, service, support, technical and other resources than the Group) may be able to develop competing products, respond more quickly to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products, which could have a negative impact and disadvantage the Group's business. The entry into the market of strong, well funded competitors, could have a negative impact on sales volumes or profit margins achieved by the Group in the future.	The Group invests in R&D and product development to ensure that the product remains market leading. The Go to Market team is responsible for making substantial improvements in our online presence in particular our progress on the G2 platform and this gives the Board comfort that the marketing strategy will help maintain our competitive position in an evolving market.

Risk	Description	Mitigation
Security Breaches and Cyber Attacks Vulnerability of the Group's systems to security breaches or cyber attacks.	The Group is a Data Processor for its customers' confidential data. Although the Group is ISO27001 accredited and therefore employs security and testing measures for the software it deploys and the broader security environment is well documented, these measures may not protect it from all possible security breaches that could harm the groups or its customers' business. Given the reliance of the Group on its information technology systems then its software is at risk from cyber attacks. Either of these security events may result in significant costs being incurred and other negative consequences including reputational damage and a loss of investor confidence.	The Group takes its Information Security very seriously as demonstrated by its ISO27001 accreditation. Employees are trained in this area including the risks of phishing and the best practice for Information Security. The Group has cyber security insurance in place and the Group endeavors to secure limitations of liability clauses in its customer contracts.
International Operations Failure of the Group to adequately manage risks of operating internationally.	A substantial proportion of the Group's customers and prospects operate overseas and as a result the Group is exposed to various risks; operational challenges around distance, language and culture, human resource issues and different legal and taxation environments. In addition a significant proportion of the Group's revenues are denominated in foreign currency, principally US dollars. Since the Group reports its financial results in sterling, fluctuations in rates of exchange between sterling and non-sterling currencies, particularly US dollars, may have a material adverse impact on the Group's financial results.	All geographies addressed by the Group can be readily serviced from the UK. The Group applies Treasury and foreign currency exposure management policies to minimise both the cost of finance and our exposure to foreign currency exchange rate fluctuations.

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Reliance on counterparties Risk that trading partners may be unable to pay in a timely manner or may seek to renegotiate terms with the Group.	There is a risk that parties with whom the Group trades or has other business relationships may be unable to pay the Group in a timely manner, or at all. Some of the Group's customers may seek to renegotiate their pricing and/or payment terms with the Group. Furthermore, as a result of the COVID-19 Pandemic and global economic slowdown some of the Group's customers may enter into bankruptcy or insolvency proceedings and be in a position whereby they are unable to pay the Group all or some of the payments to which the Group is owed. If any of these risks arise, this could have an adverse impact on the Group's business, revenue, financial condition, profitability, prospects and results of operations.	The Group has very little exposure in its customer base to those sectors most adversely affected by COVID-19. Whilst, therefore, the Group's customers have naturally limited discretionary spend during the pandemic, there has not been a significant impact on their creditworthiness. In addition the majority of the Group's customer base are Global Enterprises with secure working capital.
Dependence on key executives and personnel Risk that key personnel could leave the Group.	The Group is managed by a limited number of key personnel, including the Directors and senior management, who have significant experience within the Group and the sectors it operates within. If members of the Group's key senior team depart, the Group may not be able to find effective replacements in a timely manner, or at all and its business may be disrupted or damaged.	Executive and staff remuneration plans, incorporating long-term incentives, have been implemented to mitigate this risk.

Risk	Description	Mitigation
Reliance on third parties The Group is at risk as to the availability, price and quality offered by such third party suppliers.	The Group contracts with third parties to perform functions or operations that are integral to the Group's products and services, including third party suppliers for integration software, and cloud hosting. Any significant changes in the availability, price and quality offered by third party suppliers could adversely affect profit margins and have a material adverse effect on the Group's business, results of operations and financial condition. The Group's reliance on third party suppliers increases the risk of disruption to its operations if such third party service providers are unable to provide business services as anticipated. The Group may not be able to provide its services and may need to seek alternative service providers or resume providing these business processes internally, which could be costly and time-consuming and have a material adverse effect on the Group's business, results of operations and financial condition.	The Group evaluates its business partners very carefully and regularly undertakes risk assessments of these partners to evaluate surety of supply.

STRATEGIC REPORT:
Stakeholder Engagement

During the year, the Board and its directors confirm they have acted in a way that promotes the success of i-nexus Global plc for the benefit of its members as a whole, and in doing so have had regard to the stakeholders and key matters set out in Section 172 of the Companies Act 2006.

The Board considers that the Group's key stakeholders are its shareholders, employees, customers, suppliers and key partners and the environment. The directors recognise that they are expected to take into account the interests of those stakeholders whilst prioritising the long term success of the Group. This can mean that the interests of certain stakeholder groups in the short-term may need to be balanced against such long term success.

The Board view the key stakeholders and principal methods of engagement as shown in the table below. In all cases, the level of engagement informs the Board, both in relation to stakeholder concerns and the likely impact on decision-making.

Stakeholder Group	Principal Methods of Engagement
Shareholders	The Board engages with shareholders throughout the year through the annual and half year results and trading updates, the Annual General Meeting, the investor roadshows and the investor pages on the i-nexus Global plc website. Throughout the year the Board engages with major shareholders and investors as required and receives detailed feedback reports via our various advisors, on views of shareholders and covering analysts.
Employees	Our culture defines the behaviours we expect from all our employees and helps drive our strategy of building a high performance team. The Board engages with employees by maintaining a rotational schedule which sees department heads present at Board meetings, weekly Management Updates with the CEO and fortnightly alternate All Hands briefing email and meetings, currently being run virtually. We also hold an annual "Launch Event" whereby we review the year just gone and consider the targets and aspirations for the year ahead.
Customers	The Group places customers at the heart of our business and strategy. All our teams are focussed on regular communication with customers to ensure we fulfil our customers' product and service requirements and to deliver excellent customer service. We ensure that our customers have the opportunity to speak to their support team, account manager or a member of senior management throughout each stage of their customer journey with i-nexus.
Suppliers and key partners	Open and honest engagement and relationships with our suppliers and subcontractors is critical to the delivery of our business. The Group has a number of key strategic partners that we engage with to support delivery of our business in a number of key areas including IT infrastructure and communication products, services and software. Our teams and employees interact with our strategic partners and all other suppliers on a regular basis to strengthen trading relationships and to ensure that the supply chain function continues to operate well to support the business.
Environment	The Group recognises the environmental impacts arising from our business activities and is committed to reducing these through effective environmental management. The Group uses Amazon Web Services, as they are committed to running the business in the most environmentally friendly way possible and achieving 100% renewable energy usage for their global infrastructure.

The Board held twelve board meetings in the year to address and meet its obligations under Section 172 of the Companies Act 2006. The following table covers the key decisions made during the year and the stakeholder group(s) impacted by these decisions.

Key Impact	Key Decisions Made	Key Stakeholder Group's impacted
Long Term Strategy	Each year, the Board approves the annual budget of the Group and reviews the Group's strategy and growth plans for the budget year and the following year. In October 2021, the Board approved the Budget for FY 22 which incorporated a net growth target that is reasonable and achievable	Shareholders, Employees, Customers, Suppliers
Performance of the Group	On a monthly basis, the Board reviews the trading performance of the Group with detailed Board reports, including management accounts, provided by the Executive team covering trading in the month and year to date, with operational and financial performance monitored against budget and the previous financial year. These reports cover sales and forecast pipeline, customers and suppliers, data centre activity and various aspects of operational performance and compliance with ISO requirements as applicable. In the year, the Board spent significant time reviewing and agreeing the group's ongoing response to the Covid 19 pandemic. Alongside tactical decisions on not renewing the Coventry offices lease, redundancies, furlough and cost cutting, strategic funding options were a theme of every Board meeting.	Shareholders, Employees, Customers, Suppliers, Environment
Financing and capital spend	The Board approves the extent of the investment being made in the i-nexus product. As a result of both the weaker sales experienced in the last two years, which left the Group with reduced working capital, strategic options for additional financing have been explored and have resulted in the successful completion of the Convertible Bond issue in both November 2020 and September 2021.	Shareholders, Employees

STRATEGIC REPORT:
Stakeholder Engagement continued

Key Impact	Key Decisions Made	Key Stakeholder Group's impacted
Employees and Culture	The Board seeks to ensure that the Group's staff policies and processes are aligned with the Group's core values and promote the long term strategy of the Group. The Board continues to make decisions that encourage improvements in systems, processes and benefits which impact the wellbeing of our employees. The Remuneration Committee makes recommendations to the Board on the remuneration packages for the Executive Directors, including annual salary increase, performance related bonuses and options under our long term incentive plans. This process resulted in the issue of 2,668,738 options to Directors and employees (see page 28 and note 29).	Shareholders, Employees
Governance, Regulatory Requirements and Risk	The Board reviews and approves the results announcements and trading updates, the half year report and annual report and the AGM statement. The Board receives regular briefings from the Chief Executive Officer and Chief Financial Officer and the Group's brokers and public relations advisers. Through the half year and annual year end results process and the investor roadshows, the Board are in communication with analysts and advisors to help understand shareholder views which contributes to the Group's strategy and decision making. The executive team presents investor feedback results from the roadshows to the Board. A range of corporate information (including Group announcements) are available to all shareholders, investors and the public on the Group's website www.i-nexus.com/investor-center The Board takes regulatory responsibilities seriously and is committed to ensuring that it is open and transparent with regulators. In the current year, the Board received advice from our nominated adviser to obtain an update on changes to AIM rules and market abuse regulations to ensure i-nexus's compliance with requirements. As noted in the Chief Financial Officer's report on page 9, Principal Risks and Uncertainties on page 11 and the Corporate Governance report on page 30, the Board has formally considered the risks and our response to the risks posed by COVID-19 on the business.	Shareholders, Employees, Customers, Suppliers, Environment

By Order of the Board

Alyson Levett
Director
26 January 2022

CORPORATE GOVERNANCE:
Board of Directors

Richard Cunningham, Non-Executive Chairman

Richard Cunningham is a technology entrepreneur who has built and sold a number of businesses and who has extensive experience in equity research, financial analysis and corporate finance, focusing on technology companies. He built one of the UK's leading independent corporate telecommunications service providers, Project Telecom Plc, before listing it on the London Stock Exchange and eventually selling it to Vodafone. Richard also founded Octium Ltd to "buy and build" a digital connectivity and applications business, which was exited successfully through a sale to MDNX. He is currently Chairman of two private technology businesses, CommonTime Ltd and Viewber Ltd. Richard also sits on the investment committee of Herald Ventures, the venture capital business of Herald Investment Management.

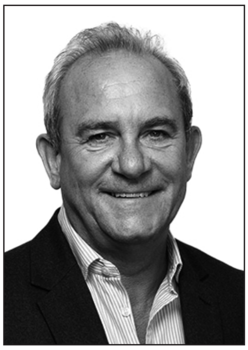
Simon Crowther, Chief Executive Officer

Simon Crowther joined the Group as Software Development Manager in 2006 and has worked within every key area of the business prior to becoming COO in 2013 and led a process of change and refocus of the business since becoming CEO in 2016. Simon has a background in software development, having also spent almost three years at Intascape (a division of See Tickets) as a senior software architect. He has two masters degrees from Birmingham University: one in mathematics and the second in computer science.

Alyson Levett, Chief Financial Officer

Alyson Levett joined the Group as Finance Director in 2012, assuming a strategic role and day-to-day responsibility for planning, implementing, managing and controlling all finance related activity. Alyson has an extensive background in finance, including as Finance Director of Griffin Internet prior to its acquisition by MDNX in 2012. She is a Non-Executive Director of AMTE Power plc and chairs their Audit Committee. She has a masters degree in economics from Cambridge University and is a qualified Chartered Accountant.

David Firth, Independent Non-Executive Director



David was appointed an independent Non-Executive Director of the Group in February 2021. He is the non-executive chairman of Best of the Best Plc, an organiser of weekly competitions to win cars and other luxury prizes. David is also a Non-Executive director of Parity Group Plc, an IT services and consultancy business, and Summerway Capital PLC, an AIM investing company focused on investment and acquisition opportunities across the healthcare and pharmaceutical sectors, and is chairman of the remuneration and audit committees at both companies. Previously he was the Finance Director of Penna Consulting plc from 1999 to 2016. David is a Chartered Accountant and has held a number of board positions in public companies over the past 30 years across various sectors including HR consultancy and recruitment, IT services, financial markets, motor retailing and advertising.

CORPORATE GOVERNANCE:
Corporate Governance Statement

Chairman's Introductory Statement on Corporate Governance

As the Chairman of the Board I must ensure it's effectiveness and that it has Directors with the right balance of skills, diversity and experience. The Board is collectively responsible for the long-term success of the Group and for setting and approving the business strategy and its subsequent execution.

I believe our culture is consistent with the Group's objectives, strategy and business model and supports the requirement to minimise our principal risks and uncertainties.

Good corporate governance forms a key part of our business ethos and eventual success and we have in place a strong and effective governance framework and associated practices to ensure that the highest standards are applied throughout the Group in a consistent manner leading to the right behaviours across it. All of these are critical to business integrity and maintaining the trust of all stakeholders in i-nexus.

The following Corporate Governance Report contains a summary of the Company's governance arrangements and the regulatory assurances required under the UK Corporate Governance Code.

Overview

The Directors recognise the value and the importance of high standards of corporate governance. All AIM companies are required to apply a recognised corporate governance code. The Company has adopted and complies with all 10 principles of the Corporate Governance Code published by the Quoted Companies Alliance (the QCA Code). The ways in which the Company complies with the QCA Code are identified below and can also be found on our website.

1. Long-term Value and Strategy

The Company's business model is designed to promote long-term value for all stakeholders. It is explained more in the CEO's Statement and Stakeholder Engagement section of the Strategic Report.

2. Shareholder Engagement

The Company actively engages in dialogue with shareholders. The Chief Executive Officer and Chief Financial Officer regularly meet with institutional shareholders and analysts as required, including after the announcement of full year and half-year results, and are responsible for ensuring that their expectations are understood by the Board. In addition the Chairman is available should shareholders need his input. The AGM also provides an opportunity for all shareholders to engage and to ask questions of the Board. In addition, the Group engages with its shareholders through its RNS communications to provide updates on financial and commercial matters.

3. Stakeholders

The Board considers the interests of shareholders and all relevant stakeholders in line with section 172 of the Companies Act 2006. The Group focuses on building strong and sustainable relationships with a range of different stakeholders in order to support the long-term success of the Group. Details on this are included in the section Stakeholder Engagement in the Strategic report above on pages 18 to 20.

4. Risk Management

The Group is exposed to a number of potential risks which may have a material effect on its reputation, financial or operational performance. The Board has overall responsibility for risk management and internal controls and is fully supported by the Audit Committee. More detail about the identified principal risks and uncertainties can be found on pages 10 to 17. The Board has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The processes to identify and manage the key risks of the Group are an integral part of the internal control environment. Such processes, which are regularly reviewed and improved as necessary, include strategic planning, approval of annual budgets, regular monitoring of performance against budget (including full investigation of significant variances), control of capital expenditure, ensuring proper accounting records are maintained, the appointment of senior management and the setting of high standards for health, safety and environmental performance.

5. Board Practice

The Board consists of the Chairman, two Executive Directors and one Non-Executive Director. The biographical details of the Board members can be found on page 21. The Board has determined David Firth is independent in character and judgement. The Chairman, Richard Cunningham, is not considered to be independent, however the Board considers that his long experience as Chairman of the Board of i-solutions Global Limited (which is the Operating entity of i-nexus Global plc) is of benefit to the Board in providing continuity of knowledge and additional industry expertise to the Group. The Board meets sufficiently regularly, at least ten times throughout the year. Meetings of the Non-Executive Directors without the Executive Directors being present are held regularly. Further information on the Board, its constitution and procedures can be found below.

6. Board Composition and Performance

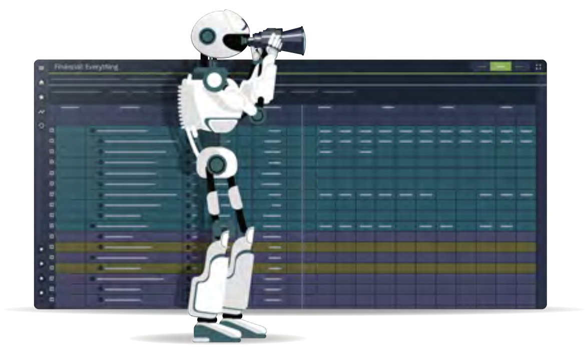
The Board considers its overall size and current composition to be suitable and have an appropriate balance of sector, financial and public markets skills and experience as well as an appropriate balance of personal qualities and capabilities. Further details on our compliance in this area can be found on page 18.

7. Board Evaluation

The Board recognises that it continually needs to monitor and improve its performance. This is achieved through an informal annual performance evaluation, full induction of new Board members and ongoing Board development activities. The Chairman is responsible for ensuring that all Non-Executive Directors receive ongoing training and development. Our Non-Executive Directors are conscious of the need to keep themselves properly briefed and informed about current issues.

8. Company Culture

The Group has no pre-defined set of values formally documented, however the Group expects the following behaviours and attitudes to be representative of its employees; Ego-less, customer centric, high integrity, respectful, supportive, caring, professional, quality driven, passionate, think for themselves.



CORPORATE GOVERNANCE:
Corporate Governance Statement continued

These values are reflected in everything that we do, beginning with the selection criteria used in the employee recruitment process and continuing throughout all elements of the Group's business. The Board ensures that ethical behaviours are expected and followed by approving a set of internal policies on matters such as anti-bribery and whistleblowing, and by ensuring that appropriate systems and controls are in place to ensure compliance with those policies.

9. Governance

Whilst the Board is collectively responsible for defining corporate governance arrangements, the Chairman is ultimately responsible for corporate governance. The governance structures within the Group have been assessed by the Board and are considered appropriate for the size, complexity and risk profile of the Group. This will be reviewed by the Board to ensure governance arrangements continue to be appropriate as the Group changes over time. There is a formal schedule of matters reserved for the decision of the Board that covers the key areas of the Group's affairs. The schedule includes approval of the Annual Report and any other financial statements, the adoption of the budgets and business plans, material financial commitments, and the release of inside information.

10. Communication

The Company is committed to open communications with all its shareholders. Communication is primarily through the Company's website and the Annual General Meeting. All shareholders will receive a copy of the Annual Report. Copies of historical Annual Reports and notices of general meetings covering the period since the shares of the Company were admitted to trading on AIM are also available on the Company's website. The Company reports on the responsibilities and activities of each of the Committees in the Annual Report.

Board Constitution and Procedures

As at 30 September 2021, the Board comprised the Non-Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, and one Non-Executive Director.

The Directors, together, act in the best interests of the Group via the Board and its Committees, devoting sufficient time and consideration as necessary to fulfil their duties. Each Director brings different skills, experience and knowledge to the Group, with the Non-Executive Directors additionally bringing independent thought and judgement.

The Non-Executive Directors are considered by the Board to be independent of management and freely able to exercise their judgement in all matters related to the Board. Any conflicts of interest are declared at the start of each Board meeting.

Board meetings are convened monthly where all Directors are provided with comprehensive information to digest and discuss. Any specific actions arising during meetings agreed by the Board are followed up and reviewed at subsequent Board meetings to ensure their completion.

Attendance at Meetings

Since the issue of the last Annual Report there were 12 Board Meetings. The details of attendees are shown below:

	BOARD MEETINGS	REMUNERATION COMMITTEE	AUDIT COMMITTEE
Richard Cunningham	12/12	2/2	3/3
David Firth	12/12	2/2	3/3
Simon Crowther	12/12		
Alyson Levett	12/12		

Roles and Responsibilities

The roles of the Chairman and Chief Executive Officer are separated and clearly defined.

The Chairman provides leadership to the Board by ensuring that the Board has sufficient time to discuss issues on the agenda and facilitating constructive discussion on these items.

The Chief Executive provides day to day management of the Group's employees and is responsible for the leadership of the i-nexus Senior Management team. He is responsible, along with the Senior Management team, for the execution of strategy approved by the Board and the implementation of Board decisions.

Internal Control

Management has considerable autonomy to run and develop the Group's business. The Board believes that a well-designed system of internal reporting and control is necessary. The Board has overall responsibility to develop and strengthen internal controls as required. The Audit Committee, on behalf of the Board, has the responsibility for reviewing internal controls. The system is designed to provide reasonable, but not absolute, assurance that the assets of the Group are safeguarded, that proper accounting records are maintained, and that reliable financial information is produced.

Audit Committee

The Audit Committee has responsibility for monitoring the integrity of the Group's financial statements, reviewing significant financial reporting issues, reviewing the effectiveness of the Group's internal control and risk management systems, assessing the need for internal audit and overseeing the relationship with the external auditor, including advising on their appointment, reviewing the scope of their audit and their fees and ensuring their independence.

The Audit Committee comprises the Non-Executive Directors. David Firth chairs the Committee. He is a Chartered Accountant, who brings a high level of financial and corporate governance experience to the Committee. The Board is satisfied that he has recent and relevant financial experience. The Chief Financial Officer and External Auditor are invited to attend the meetings. The External Auditor throughout the financial year was Saffery Champness LLP, who conducted the external audit. The Committee meets at least three times a year to review the interim results, the external audit plan and the full year results and external audit report.

The Committee reviewed the annual report and accounts before submission to the Board, including reviewing the reports from Saffery Champness LLP on their work and findings from the external audit and compliance with the Group's policies and procedures and applicable accounting standards and legislation. Topics discussed included the Group's management of risks related to COVID-19, compliance with accounting standards on software revenue recognition and capitalisation of software development costs, management estimates, compound instruments and the Group's going concern assumption and related disclosures. These significant issues were discussed by the Committee taking guidance from the Independent Auditor and discussions with the CFO.

The Committee reviewed the effectiveness of the Group's internal controls, including enquiry of the Independent Auditor and concluded that they were appropriate for a business of the size, scale and complexity of i-nexus. The Committee also determined that a separate internal audit function was not required during the year, but this decision will be kept under review.

The independence and objectivity of the Independent Auditor were considered and found to be satisfactory.

CORPORATE GOVERNANCE:
Corporate Governance Statement continued

Independence and objectivity

The Committee has a policy prohibiting the engagement of the external auditor to provide non-audit services. Safeguards are in place to preserve Auditor independence; use of separate teams for tax compliance, and the production of the Financial Statements, the Board and Committee are satisfied by these safeguards.

The Committee also received confirmation from Saffery Champness LLP that there are no relationships between the Group and Saffery Champness that may have a bearing on its independence.

Further details of the audit fees paid, to Saffery Champness LLP for the 2021 and 2020 financial years can be found in note 8 to the financial statements. To comply with the FRC Revised Ethical Standards 2019 Saffery Champness LLP did not undertake any non-audit services in FY21. Those relating to the Group's Tax services, specifically those relating to the 2021 Tax compliance and advisory services were provided by Garbutt & Elliot.

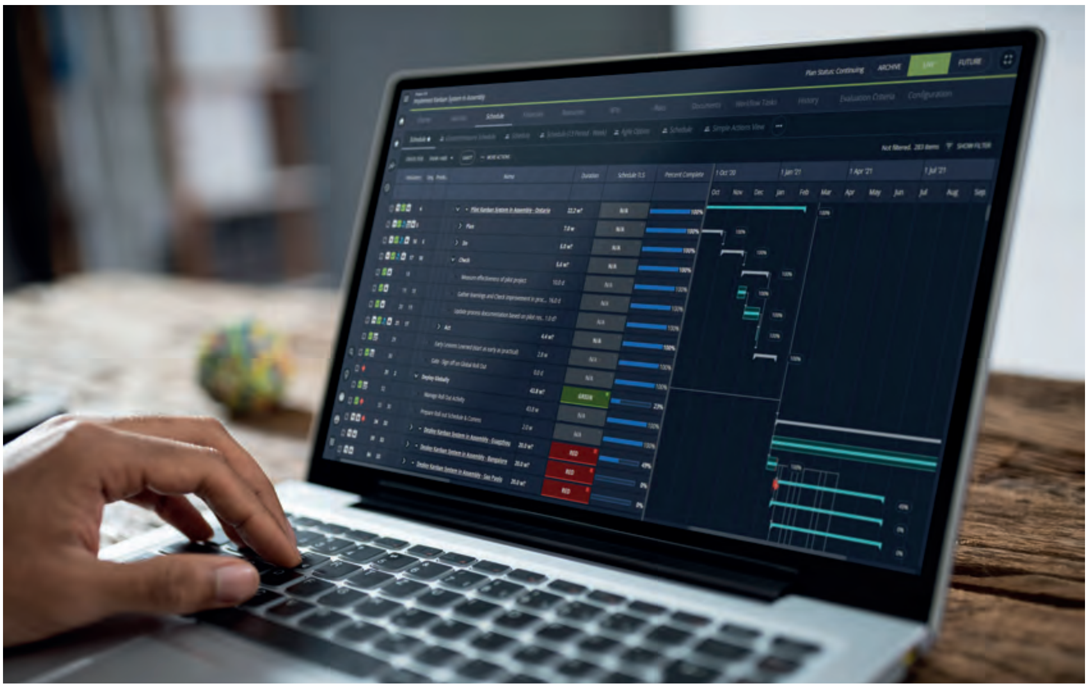
The Independent Auditor also met with the Chairman of the Committee without management present. The effectiveness of the annual audit process was also reviewed and the quality of delivery and service levels provided were assessed.

Remuneration Committee

The Remuneration Committee was comprised of Richard Cunningham (Chairman) and David Firth. The Committee meets at least annually and reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to the remuneration of the Executive Directors and Senior Management, including bonus awards, share incentive plans and objectives. The Committee also reviews and makes recommendations to the Board on the overall remuneration policy of the Group, including the design of any performance related pay schemes, share incentive schemes and employee benefit structures.

Nomination Committee

In the event of any new Director appointments being proposed, the Board will meet as a whole to discuss and as such no nomination committee has been constituted.



CORPORATE GOVERNANCE:
Group Directors' Report For the year ended 30 September 2021

Group Directors' Report

The Directors of i-nexus Global plc (the "Company") present their report and the Financial Statements of the Company and its subsidiary undertakings (together the "Group" or "i-nexus") for the year to 30 September 2021.

Directors

The Directors who served on the Board during the year and to the date of this report are as follows:

Richard Cunningham
David Firth (appointed 18 February 2021)
Simon Crowther
Alyson Levett
Nigel Halkes (resigned 31 March 2021)

Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Corporate Governance 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 elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRS) 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 Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the Rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and the ESM exchange of the Irish Stock Exchange.

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 they have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping 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 Group and Company and enable them to ensure that the Financial Statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the maintenance and integrity of the corporate and financial information included in the Group's website.

Matters covered in the Strategic Report

Details of the likely future developments and activities in the field of research and development are not disclosed in the Directors' Report, as under s414C(11) they are instead considered to be of strategic importance and are covered in the Strategic Report.

Further details on the Group's policies on financial risk management are disclosed in note 22 to the financial statements.

CORPORATE GOVERNANCE:
Group Directors' Report continued

Policy on Executive Directors and Senior Management Remuneration

When determining the Board policy for remuneration, the Remuneration Committee considers all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of this policy is to help attract, retain and motivate the Executive and Senior Management of the Group without paying more than necessary. The remuneration policy bears in mind the Group's appetite for risk and is aligned to the Group's long term strategic goals. A significant proportion of remuneration is structured to link rewards to corporate and individual performance and be designed to promote the long-term success of the Group.

Base Salary Review

Having taken external advice the Remuneration Committee developed its 2021 remuneration proposals based on what the Remuneration Committee believe to be appropriate remuneration levels for the Group at its current stage of development.

Bonus Payments

All Executive Directors and Senior Management are eligible for a discretionary annual bonus. Annual cash bonuses are paid on the achievement of pre-set financial objectives. The Committee in conjunction with the Board reviews and sets these objectives at the start of each financial year. The primary objective is achieving the annual budget which is approved at the start of each financial year.

In the current year, the Executive Management team did not achieve the pre-set objectives and have received 0% of their target cash bonus.

Long Term Incentives

The Company has adopted both a Long Term Incentive Plan and an Employee Share Option Plan (the "Plans") with all Directors, Senior Management and employees of the Company eligible to receive awards on the Plans. 2,668,738 options were granted under the plans in 2021 including 1,270,578 to Directors as announced in an RNS on this subject on 29 January 2021. In accordance with UK best practice on corporate governance, it is the Company's current policy not to award share options to Non-Executive Directors.

Directors' Remuneration – Current Year

The remuneration of Directors for the year ended 30 September 2021 and 2020 was as follows

Director	Salary £'000's	Benefits in Kind £'000's	Pension £'000's	2021 Total cash & cash equivalent remuneration £'000's	2020 Total cash & cash equivalent remuneration £'000's
Mr S Crowther	173	–	8	181	170
Ms A Levett	137	–	7	144	131
Mr R Cunningham	48	–	1	49	25
Mr D Firth (appointed 18 February 2021)	18	–	–	18	–
Mr N Halkes (resigned 31 March 2021)	20	–	–	20	35
Total	**396**	**–**	**16**	**412**	**361**

During the year to 30 September 2020 the Directors opted to take a reduced salary as part of the COVID-19 control measures.

In addition to the above remuneration, the directors have been granted share options with fair value as shown the below table for the year ended 30 September 2021. These options are presently out of the money and the associated growth based vesting conditions have not been met. These are however ascribed a fair value and included as a component of directors' remuneration in line with the requirements of IFRS 2, in spite of the inherent uncertainty as to whether they will eventually vest.

Director	Fair value of share options £'000's	2021 Total remuneration £'000's	2020 Total remuneration £'000's
Mr S Crowther	5	186	170
Ms A Levett	3	147	131
Mr R Cunningham	–	49	25
Mr D Firth (appointed 18 February 2021)	–	18	–
Mr N Halkes (resigned 31 March 2021)	–	20	35
Total	**8**	**420**	**361**

Directors and their Interests

Interest in ordinary shares of 10p

The Directors of the Company held the following interest in the ordinary shares of i-nexus Global plc:

Director	30 September 2021 Number	30 September 2021 %
Simon Crowther	**868,475**	**2.94**
Alyson Levett	**777,796**	**2.63**
Richard Cunningham	**1,083,100**	**3.66**
David Firth	**180,000**	**0.6**

In addition to the interest in shares directly owned, Richard Cunningham also has an interest resulting from his participation in the issue of the 2020 and 2021 Fixed Rate Unsecured Convertible Redeemable Loan Notes. His participation represents a maximum interest of 3,565,000 in new Ordinary Shares that could be issued pursuant to the 2020 and 2021 Convertible Loan Note Instruments.

Fees Retained for External Non-Executive Directorships

Executive Directors may hold positions in other companies as Non-Executive Directors and retain the fees. Non-Executive Directors may hold positions in other companies as either Executive or Non-Executive Directors and retain the fees. Simon Crowther held no external Non-Executive Directorships in the period. Richard Cunningham, David Firth and Alyson Levett held external Non-Executive Directorships in the period.

Results and Dividends

The results for the year are set out on page 38 and are also discussed in the Strategic Report. The Directors do not recommend payment of a dividend.

Share Capital Structure

The Company's ordinary shares of 10p are listed on the Alternative Investment Market ("AIM") market of the London Stock Exchange (ticker: INX). At the date of this report, 29,571,605 ordinary shares of 10p each were in issue. Details of share issues and changes to the capital structure during the year are set out in note 30.

CORPORATE GOVERNANCE:
Group Directors' Report continued

Substantial Shareholdings

The Company is aware that the following had an interest of 3% or more in the issued ordinary share capital of the Company:

Rank	Investor	30 September 2021 Number	30 September 2021 %
1	Herald Investment Mgt (London)	**4,031,490**	**13.63%**
2	Alto Invest (Paris)	**2,885,410**	**9.76%**
3	Interactive Investor (Glasgow)	**2,617,641**	**8.85%**
4	Hargreaves Lansdown Asset Mgt (Bristol)	**2,544,987**	**8.61%**
5	Antrak Limited (UK)	**1,852,210**	**6.26%**
6	Gresham House (London)	**1,582,279**	**5.35%**
7	Bury Fitzwilliam-Lay and Partners LLP (UK)	**1,459,460**	**4.94%**
8	BPCE (Paris)	**1,250,000**	**4.23%**
9	Richard Cunningham	**1,083,100**	**3.66%**
10	The Capital for Enterprise Fund LP (UK)	**889,080**	**3.01%**

There were no notified changes in these holdings in the period after year end to the date of signing the financial statements.

Qualifying Indemnity Provision

The Group has in place insurance protection, including a Directors and Officers liability policy, to cover the risk of loss when management deems it appropriate and cost effective; however in some cases risks cannot be effectively covered by insurance and the cover in place may not be sufficient to cover the extent of potential liabilities.

Going Concern

This historical financial information relating to i-nexus Global plc has been prepared on the going concern basis.

The Group prepares regular business forecasts and monitors its projected cash flows, which are reviewed by the Board. Forecasts are adjusted for reasonable sensitives that address the principal risks and uncertainties to which the Group is exposed, thus creating a number different scenarios for the board to challenge including a "stress" case scenario of a worsening of total billing across recurring and services revenue of £900,000 (2020 - £700,000) compared to the base case budgeted for the current financial year. This stress case was based upon new billing remaining at the same substantially suppressed rate as FY20. In those cases, where scenarios deplete the Group's cash resources too rapidly, consideration is given to the potential actions available to management to mitigate the impact of one or more of these sensitivities, in particular the discretionary nature of costs incurred by the Group, in order to ensure the continued availability of funds. The Board have also taken into account that the Group does not have access to bank debt.

Based on current trading, the stress test scenario is considered very unlikely. However, it is difficult to predict what further impact Covid-19 could have at this stage. Nevertheless, after making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the balance sheet date. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Events After the Reporting Period

There are no matters or events after the reporting period requiring disclosure.

Auditors

The Board are recommending Saffery Champness LLP for re-appointment as auditor of the Company, Saffery Champness LLP have expressed their willingness to accept this appointment and a resolution re-appointing them will be submitted to the forthcoming Annual General Meeting.

Disclosure of Information to the Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Equality and Diversity

The Group operates an equal opportunities policy which endeavours to treat individuals fairly and not to discriminate on the basis of gender, disability, race, national or ethnic origin, sexual orientation or marital status. Applications for employment are fully considered on their merits, and employees are given appropriate training and equal opportunities for career development and promotion.

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 Group'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 Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the Financial Statements contained therein.

Annual General Meeting

The Company will hold the 2021 AGM on Monday 28th February 2022. The Notice of the Meeting accompanies the Annual Report and Accounts.

By Order of the Board

Alyson Levett
Director

26 January 2022

FINANCIAL STATEMENTS:
Independent Auditor's Report For the year ended 30 September 2021

Opinion
We have audited the financial statements of i-nexus Global Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards (IAS) in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the group and of the parent company as at 30 September 2021 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IAS in conformity with the requirements of the Companies Act 2006;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

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. An explanation of how we evaluated the directors' assessment of the group and the parent company's ability to continue to adopt the going concern basis of accounting is set out in the key audit matters section below.

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 group or the parent company'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.

Our approach to the audit
We tailored the scope of our audit to ensure that we obtained sufficient evidence to support our opinion on the financial statements as a whole, taking into account the structure of the group, the accounting processes and controls and the industry in which the group and company operates.

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.

The group manages its operations from a single location in the UK and has common financial systems, processes and controls covering all significant components. The audit of both significant components was performed by the same audit team. In assessing the risk of material misstatement to the group financial statements, and to ensure adequate quantitative coverage of significant accounts in the financial statements, we determined that two components, i-nexus Global plc and i-Solutions Global Limited, represented the principal business units within the group. A full scope audit was undertaken on each component.

Key audit matters

Key Audit Matter	How our scope addressed this matter
Revenue recognition As detailed in the notes to the financial statements, the group's revenue is generated from the development and licencing of cloud-based software and associated maintenance, support, software customisation and professional consultancy services. Revenue is recognised in accordance with IFRS 15 'Revenue from contracts with customers' and through application of the 5-step model, the group identifies contracts with its customers, determines performance obligations arising under those contracts, sets an expected transaction price, allocates that price to the performance obligations and then recognises revenues as those obligations are satisfied. Owing to the presumed risk of fraud in revenue recognition, the importance of revenue as a key metric of performance and the judgements involved in applying the 5-step model this has been included as a Key Audit Matter.	Our audit procedures included the following: • We assessed the design and effectiveness of internal controls relating to revenue recognition; and • We reviewed the revenue recognition policy to ensure compliance with IFRS 15; and • For an enhanced sample of contracts, we ensured that the revenue recognition had been correctly applied against the 5-step model in IFRS 15 'Revenue from contracts with customers' with reference to the underlying contract in each instance; and • We have substantively tested revenue streams on a sample basis by reference to purchase orders, customer contracts and time records; and • For an enhanced sample of revenue contracts, we assessed the accuracy and completeness of the contract liability in each instance. Based on our procedures we have concluded that, in all material respects, revenue is valid, complete and has been accurately recognised in accordance with the financial reporting framework.
Going concern The going concern assumption is a fundamental and pervasive principle in the preparation of financial statements. The requirement to access additional funds, together with the trading result and cash utilisation in the year give rise to greater inherent risk and raises the concern as to whether the group has sufficient resources to continue to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.	Our audit procedures included the following: • We reviewed the working capital presentation, financial models and forecast scenarios prepared by the management team to support their conclusion that the business is a going concern; and • We reviewed the sensitivities adopted by management, challenging the feasibility and likelihood of each scenario, including that deemed to be the 'worst case'; and • We obtained audit evidence regarding the modelled impact of proposed mitigating actions; and • We obtained and reviewed new contracts secured after the balance sheet date, ensuring these were correctly incorporated into the forecasts prepared by management; and • We assessed the historic accuracy of management's forecasting process and reconciled the opening forecast cash and monthly recurring revenue to the historic information and underlying records; and • We evaluated management's plans for future actions and assessed that management's assessment included all relevant information, including that concerning the future; and • We reviewed the disclosures in the annual report, specifically in note 1.4, to assess that these disclosures are appropriate.

FINANCIAL STATEMENTS:
Independent Auditor's Report continued

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>The scenarios and sensitivities demonstrated that there are actions management can implement should the group's growth plans not be achieved as anticipated. Based on this and our procedures, we concluded that there is not a material uncertainty in relation to going concern and therefore that the continued adoption of the going concern basis of accounting in these financial statements remains appropriate.</td></tr>
<tr><td>The recognition and capitalisation of development costs, and review of the carrying value for impairment
As detailed in the notes to the financial statements, the group carries out research and development of its internally generated software. The expenditure that does not meet the recognition criteria of IAS 38 should be expensed to the consolidated statement of comprehensive income. The expenditure that meets the recognition criteria of IAS 38 should be capitalised as an intangible asset and amortised over the period in which the group expects to benefit from it.

The group's intangible assets include certain individual assets which are not yet available for use. IAS 36 requires annual measurement of recoverable amount for all such assets.

The determination of whether the initial recognition criteria are met, whether the underlying asset meets the criteria of being available for use and the annual measurement of recoverable amount all involve judgements. The determination of recoverable amount is a judgement requiring assumptions concerning the future which are subject to estimation uncertainty. The latter has led to an impairment charge of £293,878 being recorded during the year.</td><td>Our audit procedures included the following:

• We reviewed the assertions and assumptions made by management against the criteria for capitalisation set out under IAS 38; and

• We tested a sample of amounts capitalised during the period to underlying records and reviewed the assumptions applied for evidence of management bias; and

• We considered and challenged the appropriateness of the determination that certain assets were not available for use at the reporting date; and

• We critically appraised management's assessment of recoverable amount, comprising incremental trading forecasts for the individual assets concerned. This included challenging management regarding critical assumptions, obtaining corroborative evidence and considering the likelihood of meeting forecasts based upon our understanding of the business, the trading history of the group and the current prospects.

Based on our procedures we have concluded that the recognition criteria have been appropriately applied, that the amortisation charge is materially complete and that the impairment charge takes account of all available facts and circumstances, and is based on a series of assumptions and judgements which are appropriate to these circumstances.</td></tr>
<tr><td>Impairment of intercompany receivables
The assessment of expected credit losses in relation to intercompany receivables requires assumptions and judgements concerning the future and is therefore subject to estimation uncertainty. The impairment charge recorded during the year in the parent company's financial statements amounts to £2,895,000 and is therefore significant. There are a range of possible scenarios and outcomes which must be considered in order to determine the appropriateness of this impairment charge.</td><td>Our audit procedures included the following:

• We considered the appropriateness of the methodology and approach applied by management in determining the impairment charge with reference to the requirements of IFRS 9; and

• We critically appraised management's assessment of recoverable amount, comprising 5 year trading forecasts for the subsidiary from which this receivable is due. This included challenging management regarding critical assumptions, obtaining corroborative evidence and considering the likelihood of meeting forecasts based upon our understanding of the business, the trading history of the group and the current prospects.</td></tr>
</table>

Key Audit Matter	How our audit addressed the key audit matter
	Based on our procedures we have concluded that the impairment charge takes account of all available facts and circumstances, and is based on a series of assumptions and judgements which are appropriate to these circumstances.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below this level will not necessarily be evaluated as immaterial as we also take into account of the qualitative nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the group financial statements as a whole was set at £93,000. This was determined with reference to a benchmark of revenue which we consider to be the principal consideration in assessing the financial performance of the group. The group considers monthly recurring revenue growth to be the key performance indicator.

Performance materiality was set at 80 percent of the above materiality level.

We agreed with the Audit Committee that we would report to the Committee all individual audit differences in excess of £4,650. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

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.

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.

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 the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

FINANCIAL STATEMENTS:
Independent Auditor's Report continued

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 Directors' Responsibilities Statement set out on page 27, 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 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 group and parent 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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operate.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006, the AIM Rules for Companies and UK Tax legislation.

Audit response to risks identified:
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

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

A further description of our responsibilities is available 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.

Michael Strong (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

26 January 2022

Group Statement of Comprehensive Income

For the year ended 30 September 2021

	Notes	2021 £	2020 £
Revenue	4	**3,639,111**	4,080,582
Cost of sales		**(635,532)**	(1,094,342)
Gross profit		**3,003,579**	2,986,240
Other operating income	4	**88,316**	244,656
Administrative expenses		**(4,062,295)**	(5,555,327)
Operating loss	6	**(970,400)**	(2,324,431)
Adjusted EBITDA	5	**(256,873)**	(1,816,412)
Depreciation, amortisation, impairment and profit/loss on disposal		**(551,862)**	(331,924)
Share based payment expense		**(17,181)**	–
Non-underlying items		**(144,484)**	(176,095)
Investment revenues	11	**65**	1,007
Finance costs	12	**(162,855)**	(54,299)
Loss before taxation		**(1,133,190)**	(2,377,723)
Income tax income	13	**398,258**	361,490
Loss for the year		**(734,932)**	(2,016,233)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Currency translation differences		**17,346**	8,068
Loss on net investment hedge		**–**	(26,307)
Total items that will not be reclassified to profit or loss		**17,346**	(18,239)
Total other comprehensive income for the year		**17,346**	(18,239)
Total comprehensive income for the year		**(717,586)**	(2,034,472)

	Notes	2021 £	2020 £
Earnings per share	14		
Basic		**(0.02)**	(0.07)
Diluted		**(0.02)**	(0.07)

Profit and total comprehensive income for the financial year is all attributable to the owners of the parent company.
The notes on pages 45 to 73 form part of these financial statements.

Group Statement of Financial Position

As at 30 September 2021

	Notes	2021 £	2020 £
Non-current assets			
Intangible assets	15	**1,099,313**	1,136,808
Property, plant and equipment	16	**67,111**	245,963
		1,166,424	1,382,771
Current assets			
Trade and other receivables	18	**791,948**	832,507
Current tax recoverable		**275,000**	300,000
Cash and cash equivalents		**575,203**	120,011
		1,642,151	1,252,518
Total assets		**2,808,575**	2,635,289
Current liabilities			
Trade and other payables	23	**952,157**	1,239,609
Borrowings	20	**71,425**	179,098
Lease liabilities	24	**–**	37,467
Deferred revenue	27	**1,030,315**	1,723,661
		2,053,897	3,179,835
Net current liabilities		**(411,746)**	(1,927,317)
Non-current liabilities			
Trade and other payables	23	**88,330**	–
Borrowings	20	**42,094**	64,402
Convertible loan notes	21	**1,782,458**	–
Provisions	26	**–**	80,702
		1,912,882	145,104
Total liabilities		**3,966,779**	3,324,939
Net liabilities		**(1,158,204)**	(689,650)
Equity			
Called up share capital	30	**2,957,161**	2,957,161
Share premium account	31	**7,256,188**	7,256,188
Foreign exchange reserve		**1,876**	(15,470)
Share option reserve		**12,989**	–
Equity reserve	32	**231,851**	–
Merger reserve	33	**10,653,881**	10,653,881
Retained earnings		**(22,272,150)**	(21,541,410)
Total equity		**(1,158,204)**	(689,650)

The financial statements were approved by the board of directors and authorised for issue on 26 January 2022 and are signed on its behalf by:

Mr S P Crowther
Director

The notes on pages 45 to 73 form part of these financial statements.

Company Statement of Financial Position
As at 30 September 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Non-current assets					
Investments	37		**1,671,951**		1,654,770
Current assets					
Trade and other receivables	38	**6,888,516**		7,990,099	
Cash and cash equivalents		**426,487**		226	
		7,315,003		7,990,325	
Current liabilities					
Trade and other payables	40	**205,883**		111,345	
Net current assets			**7,109,120**		7,878,980
Total assets less current liabilities			**8,781,071**		9,533,750
Non-current liabilities	39		**1,870,788**		–
Net assets			**6,910,283**		9,533,750
Equity					
Called up share capital	30		**2,957,161**		2,957,161
Share premium account	31		**7,256,188**		7,256,188
Equity reserve	39		**231,851**		–
Share option reserve			**12,989**		–
Retained earnings			**(3,547,906)**		(679,599)
Total equity			**6,910,283**		9,533,750

As permitted by s408 of Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £2,872,499 (2020 - £nil).

The financial statements were approved by the board of directors and authorised for issue on 26 January 2022 and are signed on its behalf by:

Mr S P Crowther
Director
Company Registration No. 11321642

The notes on pages 45 to 73 form part of these financial statements.

Group Statement of Changes In Equity

For the year ended 30 September 2021

	Notes	Share capital £	Share premium account £	Equity reserve £	Merger reserve £	Foreign exchange reserve £	Share option reserve £	Retained earnings £	**Total £**
Balance at 1 October 2019		2,957,161	7,256,188	–	10,653,881	(23,538)	–	(19,498,870)	**1,344,822**
Year ended 30 September 2020:									
Loss for the year		–	–	–	–	–	–	(2,016,233)	**(2,016,233)**
Other comprehensive income:									
Exchange differences on foreign operations		–	–	–	–	8,068	–	–	**8,068**
Loss on net investment hedge		–	–	–	–	–	–	(26,307)	**(26,307)**
Total comprehensive income for the year		–	–	–	–	8,068	–	(2,042,540)	**(2,034,472)**
Balance at 30 September 2020		2,957,161	7,256,188	–	10,653,881	(15,470)	–	(21,541,410)	**(689,650)**
Year ended 30 September 2021:									
Loss for the year		–	–	–	–	–	–	(734,932)	**(734,932)**
Other comprehensive income:									
Exchange differences on foreign operations		–	–	–	–	17,346	–	–	**17,346**
Total comprehensive income for the year		–	–	–	–	17,346	–	(734,932)	**(717,586)**
Issue of convertible loan	21	–	–	231,851	–	–	–	–	**231,851**
Share option expense in the year	29	–	–	–	–	–	17,181	–	**17,181**
Share options cancelled	29	–	–	–	–	–	(4,192)	4,192	**–**
Balance at 30 September 2021		**2,957,161**	**7,256,188**	**231,851**	**10,653,881**	**1,876**	**12,989**	**(22,272,150)**	**(1,158,204)**

The notes on pages 45 to 73 form part of these financial statements.

Company Statement of Changes in Equity

For the year ended 30 September 2021

	Notes	Share capital £	Share premium account £	Equity reserve £	Share option reserve £	Retained earnings £	**Total £**
Balance at 1 October 2019		2,957,161	7,256,188	–	–	(679,599)	**9,533,750**
Year ended 30 September 2020:							
Loss and total comprehensive income for the year		–	–	–	–	–	–
Balance at 30 September 2020		2,957,161	7,256,188	–	–	(679,599)	**9,533,750**
Year ended 30 September 2021:							
Loss and total comprehensive income for the year		–	–	–	–	(2,872,499)	**(2,872,499)**
Issue of convertible loan	39	–	–	231,851	–	–	**231,851**
Share option expense in the year	41	–	–	–	17,181	–	**17,181**
Share options cancelled	41	–	–	–	(4,192)	4,192	**–**
Balance at 30 September 2021		2,957,161	7,256,188	231,851	12,989	(3,547,906)	**6,910,283**

The notes on pages 45 to 73 form part of these financial statements.

Group Statement of Cash Flows

For the year ended 30 September 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Operating activities					
Loss after tax			**(734,932)**		(2,016,233)
Adjusted for non-cash items:					
Taxation credit	13		**(398,258)**		(361,490)
Amortisation, depreciation, and adjustments on disposal	6		**551,862**		331,924
Share-based payment expense	29		**17,181**		–
Finance income	11		**(65)**		(1,007)
Finance charges	12		**162,855**		54,299
Decrease in provisions	26		**(80,702)**		–
			(482,059)		(1,992,507)
Decrease in trade and other receivables	18		**78,059**		690,536
(Decrease) / increase in trade and other payables	23		**(980,799)**		489,077
Cash generated from operations			**(1,384,799)**		(812,894)
Income tax refunded			**423,258**		361,490
Net cash outflow from operating activities			**(961,541)**		(451,404)
Investing activities					
Purchase of intangible assets - internally generated	15	**(335,446)**		(628,210)	
Purchase of property, plant and equipment	16	**(1,171)**		(39,744)	
Proceeds on disposal of property, plant and equipment		**1,180**		–	
Interest received		**65**		1,007	
Net cash used in investing activities			**(335,372)**		(666,947)
Financing activities					
Issue of convertible loans	21	**1,937,500**		–	
Repayment of borrowings		**(179,981)**		(159,730)	
Proceeds of new bank loans	20	**50,000**		–	
Payment of lease liabilities	24	**(37,467)**		(89,000)	
Interest paid		**(35,216)**		(54,299)	
Net cash generated from/(used in) financing activities			**1,734,836**		(303,029)
Net increase/(decrease) in cash and cash equivalents			**437,923**		(1,421,380)
Cash and cash equivalents at beginning of year			**120,011**		1,533,323
Effect of foreign exchange rates			**17,269**		8,068
Cash and cash equivalents at end of year			**575,203**		120,011

The notes on pages 45 to 73 form part of these financial statements.

Note to the Statement of Cash Flows

For the year ended 30 September 2021

Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's Consolidated Statement of Cash Flows as cash flows from financing activities.

	At 1 October 2020 £	Financing cash flows £	Convertible element £	Other movements* £	**At 30 September 2021 £**
Bank loans	–	50,000	–	–	**50,000**
Convertible loan notes	–	1,937,500	(231,851)	76,809	**1,782,458**
Other loans	243,500	(179,981)	–	–	**63,519**
Leases	37,467	(37,467)	–	–	**–**
	280,967	1,770,052	(231,851)	76,809	**1,895,977**

	At 1 October 2019 £	Financing cash flows £	Convertible element £	Accrued interest £	At 30 September 2020 £
Other loans	403,230	(159,730)	–	–	243,500
Leases	120,552	(89,000)	–	5,915	37,467
	523,782	(248,730)	–	5,915	280,967

*Other movements includes;

(1) Accrued proceeds of £37,500 which was contractually agreed but unpaid at the year end;

(2) Interest charged to the statement of comprehensive income of £127,639; and

(3) Accrued interest payable of £88,330 based on the convertible loan coupon rate of 8%.

Notes to the Group Financial Statements

For the year ended 30 September 2021

1 Accounting policies

Company information

i-nexus Global Plc is a public company limited by shares incorporated in England and Wales. The registered office is 27-28 Eastcastle Street, London, W1W 8DH. The Group's principal activities and nature of its operations are disclosed in the Strategic Report.

The Group consists of i-nexus Global Plc and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The individual parent company meets the definition of a qualifying entity under FRS 101 Reduced Disclosure Framework. These financial statements for the year ended 30 September 2021 are the first financial statements of i-nexus Global Plc prepared in accordance with FRS 101. The company transitioned from IFRS to FRS 101 for all periods presented and the date of transition to FRS 101 was 1 October 2019.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

(a) the requirements of IFRS 7 'Financial Instruments: Disclosure';

(b) the requirements within IAS 1 relating to the presentation of certain comparative information;

(c) the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;

(d) paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but it not yet effective); and

(e) the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a Group.

As permitted by S408 Companies Act 2006, the Company had not presented its own Statement of Comprehensive Income. The company's loss for the year was £2,782,499 (2020 - £nil).

1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Notes to the Group Financial Statements continued
For the year ended 30 September 2021

1 Accounting policies (continued)
The accounting treatment in relation to the additions of i-nexus Global Plc as a new UK holding company of the Group fell outside the scope of IFRS 3 'Business Combinations'. The share scheme arrangement constituted a common control combination of the entities. This was as a result of all the shareholders of i-nexus Global Plc being issued shares in the same proportion, and the continuity of ultimate controlling parties. The directors believed that this approach presents fairly the financial performance, financial position and cash flows of the Group.

The reconstructed group was consolidated using merger accounting principles, as outlined in the Financial Reporting Standard FRS 102 ("FRS"), and the reconstructed Group treated as if it had always been in existence. There was no difference between the nominal value of the shares issued in the share exchange and the book value of the shares obtained.

1.3 Basis of consolidation
The consolidated Group financial statements consist of the financial statements of the parent company i-nexus Global Plc together with all entities controlled by the parent company (its subsidiaries) and the Group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 September 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the Group's financial statements from the date that control commences until the date that control ceases. The Group's interest in i-solutions Global Limited has been consolidated as set out in the 'Business combinations' policy above.

1.4 Going concern
The directors have at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Group prepares regular business forecasts and monitors its projected cash flows, which are reviewed by the Board. Forecasts are adjusted for reasonable sensitives that address the principal risks and uncertainties to which the Group is exposed, thus creating a number different scenarios for the board to challenge including a "stress" case scenario of a worsening of total billing across recurring and services revenue of £900,000 (2020 - £700,000) compared to the base case budgeted for the current financial year. This stress case was based upon new billing remaining at the same substantially suppressed rate as FY20. In those cases, where scenarios deplete the Group's cash resources too rapidly, consideration is given to the potential actions available to management to mitigate the impact of one or more of these sensitivities, in particular the discretionary nature of costs incurred by the Group, in order to ensure the continued availability of funds.

On the basis of this analysis, the Board has concluded that there is a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future being a period of at lease twelve months from the balance sheet date.

1.5 Revenue
The Group applies IFRS 15 'Revenue from contracts with customers'. Under IFRS 15, the Group applies the 5-step method to identify contracts with its customers, determine performance obligations arising under those contracts, set an expected transaction price, allocate that price to the performance obligations, and then recognises revenues as and when those obligations are satisfied.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

The nature of revenues is licence fee income on a software-as-a-service (SaaS) basis and professional services.

Licence fee

Revenue for annual licences, support and maintenance is recognised on a straight-line basis over the duration of the contract.

Professional services

Configuration and software customisation revenue is recognised on a percentage completion basis over the period during which the configuration or software customisation is completed, in line with IFRS 15. Setup, deployment, migration and report development revenue are recognised at the point of setup, deployment, migration or report development is completed. In the circumstances where an event spans two or more accounting periods, the revenue is recognised in the period when the event is completed and the software has been accepted by the customer. Revenue for training events is recognised at the point the training event is completed.

1.6 Intangible assets other than goodwill

Research expenditure is recognised as an expense when it is incurred. Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefit. Development expenditure is capitalised if, and only if, an entity within the Group can demonstrate all of the following:

(a) its ability to measure reliably the expenditure attributable to the asset under development;

(b) the product or process is technically and commercially feasible;

(c) its future economic benefits are probable;

(d) its ability to use or sell the developed asset;

(e) the availability of adequate technical, financial and other resources to complete the asset under development; and

(f) its intention to use of sell the developed asset.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs 5 years

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	20% straight line or lease term if shorter
Fixtures and fittings	25% reducing balance
Computers	33% straight line

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

1 Accounting policies (continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.8 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and 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 Group 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.

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

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

1.10 Cash and cash equivalents

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

1.11 Financial assets

Financial assets are recognised in the Group's statement of financial position when the Group 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 profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are recognized 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 (eg 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 Group'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.

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.

1.12 Financial liabilities

The Group recognises financial debt when the Group 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 are managed 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.

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

1 Accounting policies (continued)

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 borrowings, 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.

Convertible loan notes are measured at amortised cost using the effective interest method at initial inception and subsequent measurement (note 21).

Derecognition of financial liabilities

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

1.13 Compound instruments

The component parts of compound instruments issued are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.14 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

Share capital represents the nominal value of shares that have been issued.

Share premium includes all current and prior period premiums on shares allotted.

Equity reserve represents the equity element of the unsecured convertible redeemable loan stock issued.

Merger reserve represents the carrying value of the investment in the subsidiary undertaking at the point of the share for share exchange.

Foreign exchange reserve relates to the exchange differences arises on the translation of the foreign subsidiary.

Share based payment reserve relates to amounts recognised for the fair value of share options granted in accordance with IFRS 2.

Retained earnings include all current and prior period retained earnings.

1.15 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

1.16 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.18 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

1 Accounting policies (continued)

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.19 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.20 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity. Full disclosure of the calculation model is given in note 29.

1.21 Leases

At inception, the Group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the Group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the Group's estimate of the amount expected to be payable under a residual value guarantee; or the Group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.22 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received. Grant income recognised in the year comprises the Covid-19 job retention scheme grant and is recorded in other operating income.

1.23 Foreign exchange

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 profit or loss.

Overseas operations which have a functional currency different to the Group presentation currency have been translated using the monthly average exchange rate for consolidation into the statement of comprehensive income. The amounts included in the group statement of financial position have been translated at the exchange rate ruling at the statement date. All resulting exchange differences are reported in other comprehensive income.

2 Adoption of new and revised standards and changes in accounting policies

The current standards, amendments and interpretations have been adopted in the year and have not had a material impact on the reported results in the company's financial statements:

- Amendments to the Conceptual Framework for Financial Reporting
- Amendments to IFRS 3 Definition of a Business
- Amendments to IAS 1 and IAS 8 Definition of Material
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark reform
- Amendments to IFRS 16 Covid-19 related rent concessions
- Adoption of UK - IFRS for the preparation of financial statements

Standards, amendments and interpretations in issue but not yet effective

At the authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not effective yet:

	Effective date – period beginning on or after
IAS 1 'Presentation of Financial Statements': Classification of liabilities as current or non-current	1 January 2022
Property, Plant and Equipment: Proceeds before intended use: amendments to IAS 16	1 January 2022
Onerous Contracts- Cost of Fulfilling a Contract- amendments to IAS 37	1 January 2022
IFRS 17 'Insurance Contracts' and subsequent withdrawal of IFRS 4 'Insurance Contracts'	1 January 2023*
Amendments to IFRS 10 and IAS 28 Sale of contribution of assets between an investor and its Associate or Joint Venture	1 January 2023*
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023*
Definition of an Accounting Estimate (Amendments to IAS 8)	1 January 2023*
Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)	1 January 2023*

* These standards, amendments and interpretations have not yet been endorsed by the UK and the dates shown are the expected dates.

The adoption of all above standards is not expected to have any impact on the Group's financial statements.

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

3 Critical accounting estimates and judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty

Impairment of investments and intercompany debtors

A subsidiary of the parent company has sustained losses and the balance sheet is in deficit. This is a indicator of potential impairment. The recoverability of the intercompany debtor and the cost of investment is dependent on the future profitability of the entity, as whilst the debtor is repayable on demand the directors are intending to allow the subsidiary to continue to trade in order to generate sufficient profits and cash to render this balance recoverable. A provision for impairment of £2,895,000 (2020 - £nil) has been recognised in the parent company and is a significant judgement (note 36). The impairment has been eliminated on consolidation in the Group accounts.

Capitalised development costs

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as intangible assets to the extent that such expenditure is expected to generate future economic benefits. Significant judgement is applied in determining if development costs meet the criteria to be capitalised as intangible assets. IAS 36 also requires that an assessment of recoverable amount is prepared for all intangible assets not available for use at the reporting date, and for any intangible asset where there is an indicator of impairment.

Useful lives

Amortisation is provided so as to write down the development costs capitalised to their residual values over their estimated useful lives as set out in the Group's accounting policy. The selection of estimated life requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten/increase then amortisation charges in the financial statements would increase/decrease and carrying amounts of intangible assets would change accordingly.

Impairment

During the year, the directors considered the recoverability of the capitalised development costs, which are included in its balance sheet at £1,099,313 (2020 - £1,136,808) after impairment. The directors carried out a detailed net present value assessment of the future expected revenue and net profit stream over a 5 year period. Following the assessment two projects were held at higher than their recoverable amount and hence an impairment of £293,878 (2020 - £110,011) has been recognised.

4 Revenue

The Group has one single business segment and therefore all revenue is derived from the rendering of services as stated in the principal activity. The Group operates four geographical segments, as set out below. This is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance, has been identified as the management team comprising the executive directors who make strategic decisions.

	2021	2020
	£	£
Revenue analysed by class of business		
Licence	**3,333,407**	3,737,932
Services	**305,704**	342,650
	3,639,111	4,080,582

	2021	2020
	£	£
Revenue analysed by geographical market		
United Kingdom	**853,663**	808,412
Rest of Europe	**806,472**	1,823,246
USA	**1,211,192**	1,259,360
Rest of the World	**767,784**	189,564
	3,639,111	4,080,582

	2021	2020
	£	£
Other significant revenue		
Grants received	**88,316**	244,656

During the year there were two key customers (2020 - one key customer) that accounted for over 10% of revenue each. Revenue for each of these customers is £629,921 and £451,702 respectively (2020 - £623,091).

All revenue is recognised is in relation to contracts held with customers. Amounts of revenue recognised in the period that was included as a contract liability balance at the beginning of the previous period was £1,723,661 (2020 - £1,499,023), note 27. The total amount of revenue deferred and recognised as a contract liability at the year end is £1,030,315 (2020 - £1,723,661) as shown in note 27.

Invoices for licence revenue are issued annually in advance and recognised as deferred income as the performance obligation has not yet been satisfied at that point in time. Services income relates to prepaid, part upfront/part upon completion and other amounts linked to key milestones as set out in the contract. This is recognised as deferred income and increase in debtors for performance obligation met but not yet invoiced.

The performance obligations of the licence revenue are satisfied on a monthly basis and as such revenue for this stream is recognised monthly as and when the licence period is satisfied. The service performance obligations vary and the contract value is recognised over the duration of each project. All warranties are included within the subscription agreements with each client and are therefore not a separate performance obligation.

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

4 Revenue (continued)

The transaction price is determined by the contractual value agreed with the client. It is deemed that 60% deployment is attributable to enabling the customer to use the software. This was determined by reviewing live examples and attaching a percentage of each deployment which is required to enable the customer to use the software thus being one performance obligation.

Grants of £88,316 (2020 - £244,656) were received as part of the Government's initiatives to provide immediate financial support as a result of the COVID-19 pandemic. There are no future related costs associated with these grants which were received solely as compensation for costs incurred in the year.

5 Adjusted EBITDA

	2021	2020
	£	£
Operating loss	**(970,400)**	(2,324,431)
Add back:		
Depreciation, amortisation, impairment and profit/loss on disposal	**551,862**	331,924
Share based payment expense	**17,181**	–
Non-underlying items	**144,484**	176,095
Adjusted EBITDA	**(256,873)**	(1,816,412)

The calculation of Adjusted Earnings is consistent with the presentation of Adjusted Earnings before Interest, Tax, Depreciation, and Amortisation, as presented on the face of the Statement of Comprehensive Income. This adjusted element also removes non-underlying items which comprise Covid-19 related redundancy costs and professional and consultancy fees relating to the raising of finance during the year ended 30 September 2021. Non-underlying items in the year ended 30 September 2020 comprise Covid-19 related redundancy costs.

The Directors have presented this Alternative Performance Measure ("APM") because they feel it most suitably represents the underlying performance and cash generation of the business, and allows comparability between the current and comparative period in light of the rapid changes in the business, and will allow an ongoing trend analysis of this performance based on current plans for the business.

6 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	**93,995**	75,010
Research and development costs	**523,653**	628,210
Government grants	**(88,316)**	(244,656)
Fees payable to the company's auditor for the audit of the company's financial statements	**49,550**	45,700
Depreciation of property, plant and equipment	**141,827**	221,912
Loss on disposal of property, plant and equipment	**37,094**	8,750
Amortisation of intangible assets	**79,063**	–
Impairment of intangible assets	**293,878**	110,011
Share-based payments	**17,181**	–

7 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2021 £	2020 £
In respect of:		
Intangible assets	**293,878**	–
Recognised in:		
Administrative costs	**293,878**	–

8 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company's subsidiaries	**49,550**	45,700

The audit fee for the parent company, i-nexus Global Plc, is borne by its subsidiary, i-solutions Global Limited.

9 Employees

The average monthly number of persons (including directors) employed by the Group during the year was:

	2021 Number	2020 Number
Senior management and directors	**12**	9
Development global services and other	**27**	57
Total	**39**	66

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	**2,504,068**	3,843,110
Social security costs	**286,670**	424,403
Pension costs	**84,550**	148,981
	2,875,288	4,416,494

Included within wages and salaries is £17,181 (2020 - £nil) relating to equity settled share based payment expense, as explained further in note 29.

Included in the above is aggregate remuneration relating to capitalised development costs (note 15) amounting to £335,446 (2020 - £628,210).

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

10 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	**403,933**	338,125
Company pension contributions to defined contribution schemes	**16,482**	22,718
	420,415	360,843

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	**177,155**	157,299
Company pension contributions to defined contribution schemes	**8,483**	12,580

During the year to 30 September 2021 the Directors received remuneration as follows:

	Salary £000's	Benefits in Kind £000's	Pension £000's	2021 Total cash & cash equivalent remuneration £000's
Mr S Crowther	173	–	8	181
Ms A Levett	137	–	7	144
Mr R Cunningham	48	–	1	49
Mr D Firth (appointed 18 February 2021)	18	–	–	18
Mr N Halkes (resigned 31 March 2021)	20	–	–	20
	396	**–**	**16**	**412**

No share options were exercised in the year.

In addition to the above remuneration, the directors have been granted share options with fair value as shown the below table for the year ended 30 September 2021. These options are presently out of the money and the associated growth based vesting conditions have not been met. These are however ascribed a fair value and included as a component of directors' remuneration in line with the requirements of IFRS 2, in spite of the inherent uncertainty as to whether they will eventually vest.

	Fair value of share options £000's	2021 Total remuneration £000's
Mr S Crowther	5	186
Ms A Levett	3	147
Mr R Cunningham	–	49
Mr D Firth (appointed 18 February 2021)	–	18
Mr N Halkes (resigned 31 March 2021)	–	20
	8	**420**

During the year to 30 September 2020 the Directors received remuneration as follows:

Director	Salary £	Share options £	Benefits in kind £	Pension £	Total £
Mr S Crowther	157,299	–	–	12,580	169,879
Ms A Levett	121,451	–	–	9,510	130,961
Mr R Cunningham	24,000	–	–	628	24,628
Mr N Halkes (resigned 31 March 2021)	35,375	–	–	–	35,375
Total	338,125	–	–	22,718	360,843

During the year to 30 September 2020 the Directors opted to take a reduced salary as part of Covid–19 cost control measures.

11 Investment income

	2021 £	2020 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	**65**	1,007

12 Finance costs

	2021 £	2020 £
Interest on lease liabilities	**6,887**	14,063
Other interest payable	**28,329**	40,236
Interest on convertible loan notes	**127,639**	–
Total interest expense	**162,855**	54,299

13 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	**(275,000)**	(360,000)
Adjustments in respect of prior periods	**(122,815)**	–
Total UK current tax	**(397,815)**	(360,000)
Foreign taxes and reliefs	**(443)**	(1,490)
	(398,258)	(361,490)

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

13 Taxation (continued)

The credit for the year can be reconciled to the loss per the income statement as follows:

	2021 £	2020 £
Loss before taxation	**(1,133,190)**	(2,377,723)
Expected tax credit based on a corporation tax rate of 19% (2020: 19%)	**(215,306)**	(451,767)
Effect of expenses not deductible in determining taxable profit	**6,277**	2,319
Unutilised tax losses carried forward	**129,903**	554,034
Adjustment in respect of prior years	**(122,815)**	–
Effect of change in UK corporation tax rate	**–**	(42,514)
Depreciation on assets not qualifying for tax allowances	**–**	3,300
Enhanced relief on research and development tax credit	**(206,382)**	(411,592)
Other	**10,065**	(15,270)
Taxation credit for the year	**(398,258)**	(361,490)

The UK corporation tax rate was 19% throughout the year.

The adjustment in respect of prior periods relates to enhanced relief on the Group's research and development activity, where the actual R&D claim exceeded management's estimate in the prior year.

In the March 2021 Budget, a change to the future UK corporation tax rate was announced, indicating that the rate will increase to 25% from April 2023. Deferred tax balances at the reporting date are therefore measured at 25% (2020 - 19%).

14 Earnings per share

	2021	2020
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	**29,571,605**	29,571,605
Weighted average number of ordinary shares for diluted earnings per share	**29,571,605**	29,571,605

	2021 £	2020 £
Earnings (all attributable to equity shareholders of the company)		
Loss for the period	**(734,932)**	(2,016,233)
Basic earnings per share		
From continuing operations	**(0.02)**	(0.07)
Diluted earnings per share		
From continuing operations	**(0.02)**	(0.07)

The Diluted EPS is the same as the Basic EPS in the current and comparative year as the Group has incurred losses in each of the periods concerned. The Group has a number of potentially dilutive share options (note 29) and convertible redeemable loan stock (note 21) that could dilute the earnings per share should the Group become profitable. As at 30 September 2021 both the share options and the convertible loan stock are out of the money.

15 Intangible assets

	Development costs £
Cost	
At 1 October 2019	618,609
Additions	628,210
At 30 September 2020	1,246,819
Additions - internally generated	335,446
At 30 September 2021	**1,582,265**
Amortisation and impairment	
Impairment loss	110,011
At 30 September 2020	110,011
Charge for the year	79,063
Impairment loss	293,878
At 30 September 2021	**482,952**
Carrying amount	
At 30 September 2021	**1,099,313**
At 30 September 2020	1,136,808
At 30 September 2019	618,609

The useful economic life of each of the individual assets is deemed to be 5 years. The additions in the year of £335,446 relate to specific products being developed. These products are deemed to provide future economic benefits to the Group.

The impairment of £293,878 was as a result of an impairment review carried out by the directors at the balance sheet date.

Amortisation and impairment charges are recognised within administrative expenses.

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

16 Property, plant and equipment

	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 October 2019	95,328	214,426	546,496	8,750	865,000
Additions	120,552	235	16,707	–	137,494
Disposals	–	–	–	(8,750)	(8,750)
At 30 September 2020	215,880	214,661	563,203	–	993,744
Additions	–	–	1,171	–	1,171
Disposals	(215,880)	(150,490)	(273,356)	–	(639,726)
At 30 September 2021	**–**	**64,171**	**291,018**	**–**	**355,189**
Accumulated depreciation and impairment					
At 1 October 2019	50,235	136,956	338,678	–	525,869
Charge for the year	97,738	19,098	105,076	–	221,912
At 30 September 2020	147,973	156,054	443,754	–	747,781
Charge for the year	44,028	12,365	85,434	–	141,827
Eliminated on disposal	(192,001)	(137,099)	(272,352)	–	(601,452)
Foreign currency adjustments	–	–	(78)	–	(78)
At 30 September 2021	–	31,320	256,758	–	288,078
Carrying amount					
At 30 September 2021	**–**	**32,851**	**34,260**	**–**	**67,111**
At 30 September 2020	67,907	58,607	119,449	–	245,963
At 30 September 2019	45,093	77,470	207,818	8,750	339,131

Leasehold land and buildings includes right-of-use assets, as follows:

Right-of-use assets	**2021 £**	2020 £
Net values		
Property	**–**	40,184
Cost of additions		
Property	**–**	120,552
Cost of disposals		
Property	**(120,552)**	–
Depreciation charge for the year		
Property	**40,184**	80,368

The Group vacated the office premises in March 2021 when the lease term ended and therefore disposed of the leasehold land and buildings, including the right-of-use asset, and lease liability as shown in note 24.

17 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held Direct	% Held Indirect
i-solutions Global Limited	England and Wales (1)	The development and sale of Enterprise cloud based software on a software-as service (SaaS) basis and professional consultancy services	Ordinary	100.00	–
i-nexus (America) Inc	USA (2)	Sale of computer software and associated maintenance, support, software customisation and services	Ordinary	–	100.00

(1) The registered office address of i-solutions Global Limited is: 27-28 Eastcastle Street, London, W1W 8DH.

(2) The registered office address of i-nexus (America) Inc is: i-nexus, 245 First Street, Suite 1800, Cambridge, MA 02142, USA.

18 Trade and other receivables

	2021 £	2020 £
Trade receivables	**557,220**	534,464
VAT recoverable	**35,486**	59,018
Other receivables	**40,528**	52,612
Prepayments	**158,714**	186,413
	791,948	832,507

19 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Ageing of past due but not impaired receivables

	2021 £	2020 £
30 days or less	**529,510**	312,075
Between 31 and 60 days	**8,286**	73,688
Between 61 and 90 days	**6,037**	110,731
Over 90 days	**13,387**	37,970
	557,220	534,464

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

19 Trade receivables - credit risk (continued)

All opening and closing trade receivables balances arise from contract with customer. All other receivables outside of general terms of business are immaterial to the Group and are within the company.

No significant receivable balances are impaired at the reporting end date.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.

The ageing analysis of the trade receivables and expected credit loss provision rates as at 30 September 2021 are as follows:

	Less than 30 days £	31 - 60 days £	61 - 90 days £	Over 90 days £	Total £
Expected credit loss percentage	0.10%	0.25%	0.50%	0.75%	
Gross receivable subject to ECL	529,510	8,286	6,037	13,387	557,220
Expected credit loss	530	21	30	100	681

Based on the above, the directors have not recognised the expected credit loss on grounds of triviality to the Group. The directors consider the credit quality of trade and other receivables that are neither past due nor impaired to be good.

20 Borrowings

	Current		Non-current	
	2021	2020	**2021**	2020
	£	£	**£**	£
Borrowings held at amortised cost:				
Bank loans	**7,906**	–	**42,094**	–
Other loans	**63,519**	179,098	**–**	64,402
	71,425	179,098	**42,094**	64,402

The Group has the following borrowings at 30 September 2021:

- A Bounce Back Loan Scheme loan within bank loans which has an interest rate of 2.5% payable from November 2021 when the government grant incentive period expires. The loan is carried at £50,000 in the financial statements. This loan is unsecured.
- Venture debt within other loans which has a fixed interest rate of the higher of 11.5% per annum or LIBOR plus 8% per annum and is measured at amortised cost. The venture debt is secured by way of fixed and floating charges over the title of all assets held by i-solutions Global Limited.

The directors consider the value of all financial liabilities to be equivalent to their fair value.

21 Convertible loan notes

Two tranches of convertible loan notes were issued during the year. The first tranche was issued on 4 November 2020 and total proceeds of £1,325,000 were recognised. The second tranche was issued on 29 September 2021 and total proceeds of £650,000 were recognised (of which £37,500 is accrued and included with other debtors).

Both tranches have a redemption date 3 years following their date of issue. The loan note holders are entitled, before the redemption date, to convert all or part of their holding of loan notes into fully paid Ordinary Shares on the basis of 1 Ordinary Share for every 10p of principal nominal amount of loan notes held, and/or redeem all or part of their holding of loan notes.

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity as follows:

	2021 **£**
Proceeds of issue of convertible loan note	**1,975,000**
Equity component	**(231,851)**
Liability component at date of issue	**1,743,149**

The proceeds of issue of convertible loan notes includes £37,500 which was contractually agreed but unpaid at the year end and therefore is accrued and included within other debtors.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the statement of financial position represents the effective interest rate less interest paid to that date.

The convertible loan notes carry a coupon rate of 8% and are recognised at their net present value using a discount rate of 12%.

Movements and balance at the period end	**Liability** **£**
Liability component at 30 September 2020	–
Issue of convertible loan notes	1,743,149
Interest charged	127,639
Interest accrued	(88,330)
Liability component at 30 September 2021	**1,782,458**
Liability component due within 12 months	–
Liability component due after 12 months	1,782,458

The equity component of the convertible loan notes has been credited to the equity reserve (note 32).

22 Financial risk management

Market risk management

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, liquidity risk and credit risk. Risk management is carried out by the board of directors. The Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

Foreign exchange risk

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	US Dollars **£**	**Euros** **£**	**Total** **£**
Trade and other receivables	185,662	262,354	448,016
Cash and cash equivalents	665	–	665
Trade and other payables	(33,871)	–	(33,871)
As at 30 September 2021	**152,456**	**262,354**	**414,810**

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

22 Financial risk management (continued)

	US Dollars £	Euros £	Total £
Trade and other receivables	292,833	250,558	543,391
Cash and cash equivalents	1,710	–	1,710
Trade and other payables	(672,565)	–	(672,565)
As at 30 September 2020	(378,022)	250,558	(127,464)

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign exchange rates. The Group is also exposed to foreign exchange risk as a result of transactions denominated in US Dollars and Euros. The Group maintains bank accounts in US Dollars and Euros in order to mitigate this risk.

If Sterling had depreciated by 10% against US Dollars and Euros as at 30 September 2021, the Group would have recognised an increase in its reported profits and net assets of approximately £41,481. If Sterling had appreciated by 10% against US Dollars and Euros as at 30 September 2021, the Group would have recognised a decrease in its reported profits and net assets of approximately £41,481.

Interest rate risk

The carrying amounts of financial liabilities which expose the Group to cash flow interest rate risk are as follows:

	2021 **£**	2020 £
Venture debt	**63,519**	243,500

The weighted average cost of fixed rate borrowing for venture debt is 11.5% (2020 - 11.5%).

Interest rate risk is the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest bearing assets including cash and cash equivalents are considered to be short term liquid assets. It is the Group's policy to settle trade payables within the credit terms allowed and the Group does therefore not incur interest on overdue balances. As the interest rates on both venture debt and shareholders loans are fixed, interest rate risk is considered to be very low and no sensitivity analysis has been prepared as the impact on the historical financial information would not be significant.

Liquidity risk

The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's borrowings is shown below:

	2021 **£**	2020 £
Less than one year	**71,425**	179,098
One to two years	**40,325**	64,402
Two to five years	**1,769**	–
	113,519	243,500

Capital risk management

The Group is both equity and debt funded and these two elements combine to make up the capital structure of the business. Equity comprises share capital, share premium, convertible loan notes and retained losses and is equal to the amount shown as 'Equity' in the balance sheet. Debt comprises various items which are set out in further detail above.

The Group's current objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plan;
- Provide a reasonable expectation of future returns to shareholders; and
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

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

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise the risk, i-nexus Global Plc endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes.

i-nexus Global Plc does not consider that there is any concentration of risk within either trade or other receivables and any bad debt provisions in the years presented are not for significant amounts. The Group holds no collateral or other credit enhancements. The receivables age analysis is also evaluated on a regular basis for potential doubtful debts. It is the i-nexus directors' opinion that no further provision for doubtful debts is required. Credit risk on cash and cash equivalents is considered to be very low as the counterparties are all substantial banks with high credit ratings.

The carrying amount of financial instruments is shown below:

	2021	2020
	£	£
Financial assets held at amortised cost	**597,748**	587,076
Financial liabilities held at amortised cost	**2,609,435**	1,031,955
	3,207,183	1,619,031

23 Trade and other payables

	Current		**Non-current**	
	2021	2020	**2021**	2020
	£	£	**£**	£
Trade payables	**300,797**	378,434	**–**	–
Accruals	**235,631**	256,848	**88,330**	–
Social security and other taxation	**274,989**	488,622	**–**	–
Other payables	**140,740**	115,705	**–**	–
	952,157	1,239,609	**88,330**	–

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

24 Lease liabilities

Maturity analysis	2021 £	2020 £
Within one year	–	44,354
Future finance charges and other adjustments	–	(6,887)
Lease liabilities in the financial statements	–	37,467

All lease liabilities are expected to be settled within 12 months from the reporting date.

	2021 £	2020 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	**6,887**	14,063

25 Deferred taxation

	2021 £	2020 £
Deferred tax liabilities	**407,176**	356,610
Deferred tax assets	**(407,176)**	(356,610)
	–	–

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	ACAs £	Tax losses £	Retirement benefit obligations £	Capitalised R&D £	Total £
Deferred tax liability/(asset) at 1 October 2019	176,549	(170,934)	(5,615)	–	–
Deferred tax movements in prior year					
Charge/(credit) to profit or loss	81,603	(178,771)	(1,290)	98,458	–
Deferred tax liability/(asset) at 1 October 2020	258,152	(349,705)	(6,905)	98,458	–
Deferred tax movements in current year					
Charge/(credit) to profit or loss	(40,025)	549,171	2,195	(7,124)	504,217
Effect of change in tax rate - profit or loss	68,873	(600,442)	(1,490)	28,842	(504,217)
Deferred tax liability/(asset) at 30 September 2021	287,000	(400,976)	(6,200)	120,176	–

The Group has estimated tax losses of £10,000,000 (2020 - £10,000,000) of which approximately £8,900,000 (2020 - £8,700,000) have not been recognised as a deferred tax asset due to uncertainty over the timing and extent of the company's ability to utilise these against future taxable profits. Recognised deferred tax assets have been included only to the extent that these offset other temporary timing differences which will unwind against the losses. If a deferred tax asset was recognised in full in respect of this, the Group's net assets would increase by approximately £2,200,000 (2020 - £1,600,000).

26 Provisions for liabilities

	2021 £	2020 £
Leasehold dilapidations	**–**	80,702

All provisions are expected to be settled within 12 months from the reporting date.

Movements on provisions:	Leasehold dilapidations £
At 1 October 2020	80,702
Reversal of provision	(59,070)
Utilisation of provision	(21,632)
At 30 September 2021	**–**

The provision relates to the estimated cost of returning leasehold properties to their original state at the end of the lease in accordance with the lease terms. The provision has been reversed during the year after the company vacated all premises and disposed of the leasehold properties.

27 Deferred revenue

	2021 £	2020 £
Arising from contracts with customers	**1,030,315**	1,723,661

All deferred revenues are expected to be settled within 12 months from the reporting date.

28 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	**61,669**	123,853
Capitalised as intangible asset	**22,881**	25,128
	84,550	148,981

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The liability at the year end is £25,559 (2020 - £36,340).

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

29 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2021	2020	2021	2020
			£	£
Outstanding at 1 October 2020	–	–	–	–
Granted in the period	2,668,738	–	0.10	–
Forfeited in the period	(278,678)	–	0.10	–
Outstanding at 30 September 2021	2,390,060	–	0.10	–
Exercisable at 30 September 2021	1,334,369	–	0.10	–

The options outstanding at 30 September 2021 had an exercise price of £0.10 and a remaining contractual life of 1 year. The options can be exercised at certain dates proportionately to the Monthly Recurring Revenues ("MRR") which are achieved over a fixed period, at fixed amounts and growth rates.

During 2021, options were granted on 13 January 2021. The weighted average fair value of the options on the measurement date was £37,530. Fair value was measured using Black-Scholes Option-pricing model. Fair value was measured using Black-Scholes, with the volatility input being based solely on the Group's average historical volatility over equivalent recent periods. The risk-free rate is negative, being the rate of comparable government bonds available as at the grant date.

Inputs were as follows:

	2021	2020
Weighted average share price	0.06	–
Weighted average exercise price	0.10	–
Expected volatility	59.41%	–
Expected life	1	–
Risk free rate	(0.01)%	–
Expected dividends yields	–	–
Expenses		
Related to equity settled share based payments	17,181	–

During the year a transfer of £4,192 (2020 - £nil) was made from the share option reserve to retained earnings in relation to share options cancelled.

30 Share capital

	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of 10p each	29,571,605	29,571,605	2,957,161	2,957,161

Fully paid shares carry one vote per share and carry rights to a dividend.

31 Share premium account

	2021 £	2020 £
At the beginning and end of the year	**7,256,188**	7,256,188

The share premium represents the excess of the subscription price over the par value of shares issued.

32 Equity reserve

	2021 £	2020 £
At the beginning of the year	**–**	–
Arising in the year	**231,851**	–
At the end of the year	**231,851**	–

During the year i-nexus Global Plc issued two instruments constituting;

- £1,325,000 fixed rate unsecured convertible redeemable loan stock on 4 November 2020; and
- £650,000 fixed rate unsecured convertible redeemable loan stock on 29 September 2021.

The equity reserve solely represents the equity element of the above instruments at their respective issue dates. The fair value of the liability can be seen in note 21.

33 Other reserves

	2021 £	2020 £
Merger reserve	**10,653,881**	10,653,881

The merger reserve represents the carrying value of the investment in the subsidiary undertaking at the point of the share for share exchange.

	2021 £	2020 £
Foreign exchange reserve	**1,876**	(15,470)

The foreign exchange reserve relates to the exchange differences arises on the translation of the foreign subsidiary.

34 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2021 £	2020 £
Salary and short-term employee benefits	**887,767**	869,581
Post-employment benefits	**34,015**	52,897
Share-based payments	**12,672**	–
	934,454	922,478

Notes to the Group Financial Statements continued

For the year ended 30 September 2021

34 Related party transactions (continued)

Other information

During the year directors provided unsecured short term loans to the Group amounting to £35,000 (2020 - £144,500). These were fully repaid at the balance sheet date. Interest was charged at a rate of 0%.

No guarantees have been given or received.

During the year Mr R Cunningham, a director of the company, issued convertible loan notes to the company and proceeds of £287,500 were received and shown within note 21.

35 Controlling party

There is no ultimate controlling party of i-nexus Global Plc.

36 Impairments

Company

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2021	2020
	£	£
In respect of:		
Intercompany receivable	**2,895,000**	–
Recognised in:		
Exceptional items	**2,895,000**	–

37 Investments

	Current		Non-current	
	2021	2020	**2021**	2020
Company	**£**	£	**£**	£
Investments in subsidiaries	**–**	–	**1,654,770**	1,654,770
Capital contribution	**–**	–	**17,181**	–
	–	–	**1,671,951**	1,654,770

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the company's principal operating subsidiaries are included in note 17.

Movements in non-current investments

	Shares in subsidiaries £	Capital contribution £	Total £
Cost or valuation			
At 1 October 2020	1,654,770	–	1,654,770
Additions regarding share based payment	–	17,181	17,181
At 30 September 2021	**1,654,770**	**17,181**	**1,671,951**
Carrying amount			
At 30 September 2021	**1,654,770**	**17,181**	**1,671,951**
At 30 September 2020	1,654,770	–	1,654,770

38 Trade and other receivables

Company	**2021 £**	2020 £
VAT recoverable	**–**	59,018
Amounts owed by subsidiary undertakings	**6,774,358**	7,697,152
Other receivables	**37,501**	226,931
Prepayments	**76,657**	6,998
	6,888,516	7,990,099

Amounts owed by subsidiary undertakings are non-interest bearing and repayable on demand.

39 Convertible loan notes

Company

The company information for convertible loan notes is the same as the group information and is shown in note 21.

	2021 £	2020 £
Carrying value of convertible loan note	**1,782,458**	–
Accrued interest on convertible loan note	**88,330**	–
	1,870,788	–

40 Trade and other payables

	Current		**Non-current**	
Company	**2021 £**	2020 £	**2021 £**	2020 £
Trade payables	**170,623**	16,793	**–**	–
Accruals	**30,600**	86,756	**88,330**	–
Social security and other taxation	**3,738**	7,796	**–**	–
Other payables	**922**	–	**–**	–
	205,883	111,345	**88,330**	–

41 Share-based payment transactions

Company

The company information for share-based payments is the same as the Group information and is shown in note 29.

Company Information

Directors	Ms A M Levett Mr S P Crowther Mr R H Cunningham Mr D S Firth (Appointed 18 February 2021)
Secretary	Ms A M Levett
Company number	11321642
Registered Office	27-28 Eastcastle Street London W1W 8DH
Auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ

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