i-nexus
Strategy Software

Annual report and accounts 2022

i-nexus Global plc

Welcome to our 2022 Annual Report

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

i-nexus
Strategy Software

Contents

STRATEGIC REPORT

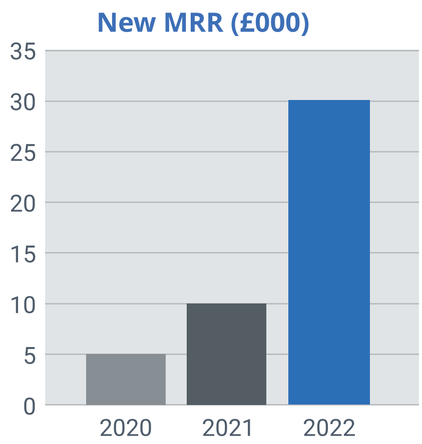
CORPORATE GOVERNANCE

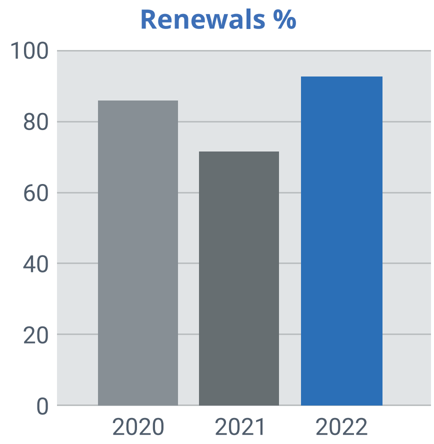
FINANCIAL STATEMENTS

2022 Highlights:

Growing sales momentum through FY22 into FY23

- Secured record number of new customers in year, winning nine new logos (FY22: four) and delivering £30k of additional MRR. Three further logos secured this financial year.
- New business deals were deliberately positioned with the expectation of future growth through FY23, several account expansions have already been delivered in Q1 of this year totalling £8k MRR with a number of other well progressed opportunities being explored





Continued development of our Go to Market strategy

- Growing pipeline generation with marketing providing record levels of prospect engagement, reach and therefore leads. Predictable and repeatable conversion rates of leads into deals
- Successfully delivered on our managed trials product roadmap, a key to securing a reliable number of deals, with over 50% of our current pipeline in active trials

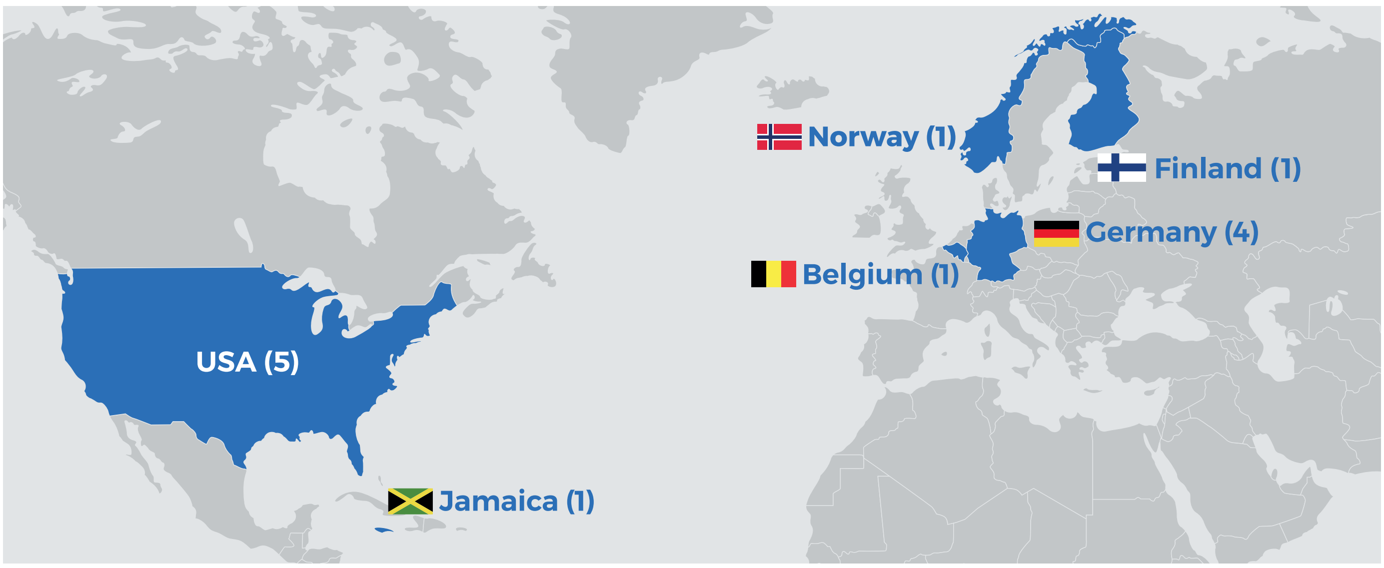
Deepening relationships with our customers

- Renewed over 90% of our customers, a considerable improvement on the prior year, and expanded the use of our software within four existing accounts (FY21: two)

A solid foundation for further growth

- Strategic expansion of our product development, customer engagement and marketing teams to ensure we have sufficient depth to properly service both our existing customer base and future prospects

Our expanding global customer base



New customers
United States (4)
Germany (2)
Belgium
Finland
Jamaica

Expansions
Germany (2)
United States
Norway

STRATEGIC REPORT:
Company Overview

i-nexus provides strategy software to the world's largest organisations who want to achieve more of their goals with less effort, using i-nexus as the place to plan, execute, and track their strategic, transformational, and operational efforts so that they can deliver the change they want to see.

Our purpose

We're driven by our passion to help organisations thrive and deliver the change they want to see.

Through our intuitive, powerful strategy software, we align everyone and everything in an organisation to help our customers achieve more of their goals with less effort.

Who we are

Founded in 2001, i-nexus was created from a vision that a learning culture is the foundation for organisational success.

Beginning with operational excellence at the core of the software, industry-leading practitioners drove adoption in global organisations, soon leading to key Hoshin Kanri functionality – the x-matrix and bowling chart.

In 2018 the company was admitted to AIM, marking a key milestone in its mission to help organisations thrive and deliver change.

Today, i-nexus is a G2 award-winning software provider, powering strategies around the world across manufacturing, industrial engineering, life sciences, and automotives.

What we value

To ensure we live and breathe our purpose, i-nexus believes that everyone has their PLACE.

Every i-nexus employee represents these values, and it's what helps us to support our customers in delivering the change they want to see:

- **Partnership**
We work with the spirit of partnership, seeing our colleagues, customers, and vendors as part of i- nexus, working with a common cause to learn and succeed.

- **Leadership**
We act with courage to lead by example to shape a better future.

- **Agility**
We strive for early and continuous delivery, breaking the complex down to the simple so that we can change with our customers.

- **Curiosity**
We are open minded and actively understand, explore, and try new approaches, with data and learning at the heart of our efforts.

- **Empathy**
We appreciate that there is a person behind every organisation, so we take extra effort to understand and support our colleagues, customers, and vendors.

The problem we solve

A survey of more than 400 global CEOs found that the ability to execute their goals – both strategic and operational – is the number one challenge facing leaders.

This reality is crystallized with Gartner's estimates that two thirds of well formulated strategies fail in their delivery phase.

At the heart of the problem is a lack of a single source of truth.

Organisations don't have a place where the entire business can plan goals, execute portfolios of projects tightly aligned to these goals, and not only track, but measure, report, and replicate this across the organisation to create a culture of achievement.

Getting everyone and everything focused and collaborating on goals isn't easy.

This iceberg exists for leaders in every business. Underneath the surface are issues in building shared purpose, aligning operational work to strategic portfolios, replicating best practices, bringing business and operating systems to life, over-engineering, and proving the impact and benefits of programs and projects.

The misalignment, planning silos, disconnected delivery of work, and manual tracking and reporting is worsened with the use of a patchwork of tools not fit for purpose.

Taking a strategy-to-action is hard.

How we solve it

With solutions for the whole organisation, from shopfloor to c-suite, i-nexus helps customers embrace the challenges of strategy execution and operational excellence.

- **Strategy execution**
i-nexus helps everyone focus and collaborate on delivering the strategy. Designed for strategy offices and transformation teams, i-nexus links plans, portfolios, and performance metrics for a simpler strategy execution experience whether using Hoshin Kanri, Balanced Scorecard, or a custom business system.

- **Operational excellence**

i-nexus helps businesses unlock repeatable strategic value from operations. Built for PMOs and Lean, Six Sigma, and process professionals, i-nexus ensures goals across portfolios, programs, and projects are executed according to their approach, powering Kaizen, Lean, Six Sigma, project management, process and risk governance, and custom operating systems.

- **Strategic portfolio management**

i-nexus strategic portfolio management tools help leaders group and deliver projects and programs in portfolios across revenue growth, CAPEX, transformation, Mergers & Acquisitions, Environmental- Social-Governance, and operational excellence.

How our tools help

i-nexus gives its users a canvas for planning, executing, and tracking goals across the entire organisation in an aligned and transparent manner.

- **Plan**

Wherever in the organisation, our x-matrix, balanced scorecard, and portfolio tools support well-balanced, transparent plans.

- **Execute**

Whether controlling the portfolio, or contributing to a project, i-nexus gives user vast tools to align everyone to plans, ward off non-strategic disruptions, and build a stronger execution culture.

- **Track**

Whatever metric, goal, countermeasure, or team-focusing scorecards are needed, i- nexus makes it easy to enter data and build a crisp picture of performance, enabling the businesses to readily change direction.

Why i-nexus?

Every day, manufacturers, industrial engineers, automotives, FMCGs and beyond use i-nexus for their strategic, transformational, and operational goals so that they can deliver the change they want to see in the world.

With 200,000+ strategic goals being delivered inside i-nexus, our customers choose us to help align their goals, engage their teams in strategy execution, power their systems, and drastically reduce the time once spent on manual reporting.

- **We wrap around customers**

i-nexus wraps around how an organisation wants to deliver their goals. From bringing to life a business or operating system, to adapting to their different locations, languages, products, and processes, i-nexus gives customers exactly what they want, how they want it, all inside one solution.

- **We support**

i-nexus customers rely on a G2 award-winning team with over fifteen years of experience in strategy execution, Hoshin Kanri, Lean, and project management to overcome challenges, spot gaps, and accelerate success.

- **We integrate**

i-nexus is the single source of truth, connecting project management software, ERP, CRM, and other critical systems to give organisations a total view of what matters to delivering results, moving them away from patchwork technology slowing success.

STRATEGIC REPORT:
Chairman's Statement

"We are back winning new customers and, although initial engagements are smaller, the opportunities to grow these accounts following successful initial deployments is, in many cases, contractually assured. New customers, growth from existing customers and improving partner sales all underpin our forecast for 2022/23. In challenging market conditions we have broadly achieved our aims for 2021/22 and look forward with optimism for the current year."

In my 2020/21 Chairman's Report I commented on the immediate challenges that i-nexus faced delivering its Business Improvement and Strategy Deployment software to large enterprises beginning to recover from the global pandemic. Few commentators predicted that 2021/22 would be characterised by even greater economic and political uncertainty. Businesses such as ours benefit from our customers looking forward with optimism and implementing clear long-term strategies across complex organisations. To do so successfully requires certainty and stability which are not conditions which currently prevail across the global economy. Nonetheless, against this challenging sales environment, the team delivered a record number of new logo wins and closed this year with a clear cash runway.

While creating a challenging sales environment in the short-term, these macro-economic changes have highlighted the need for global strategy solutions across large enterprises. Issues such as faltering supply chains, changing distribution models, price inflation, social and environmental factors, and changing working practices are just a few examples of factors influencing large enterprise strategies.

Enterprises have learnt quickly that uncertainty is the new norm and that to succeed their strategies must be deployed faster, with more agility and that tools such as i-nexus can help them to do so.

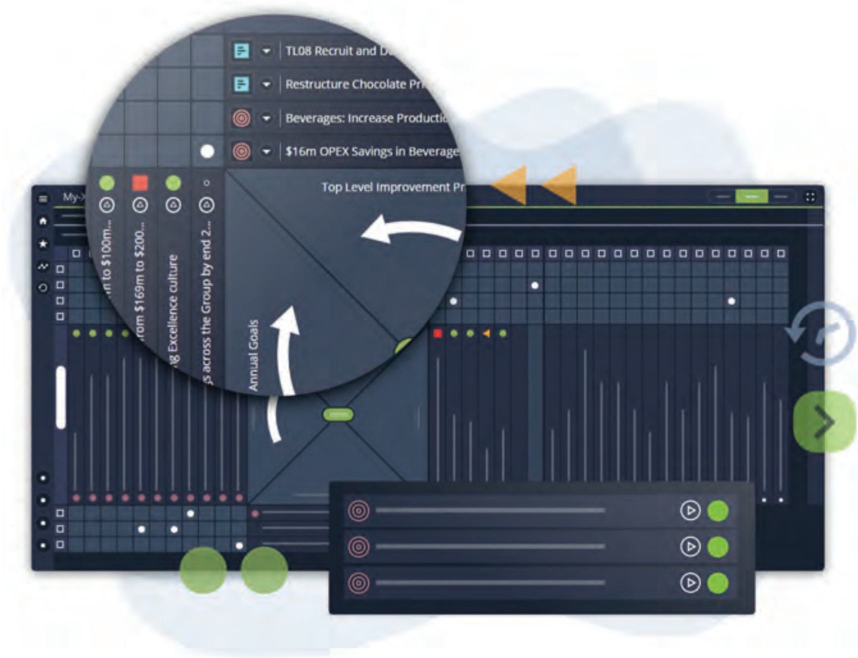
Last year our three strategic objectives were to manage our cash resources as effectively as possible, while continuing to develop our i-nexus platform and drive our developing sales pipeline as hard as possible with our limited resources. We have not needed further working capital support from our shareholders and, although cash is tighter than we originally forecast, we remain confident given our current projections for FY23 that we will not require further working capital to deliver on our growth plans. If our ambitions change through accelerating sales or unequivocal demand for new product the Board will of course consider all options to fund such growth. It is the Board's responsibility to ensure that i-nexus takes full advantage of the opportunities available to it. It is also incumbent upon the Board to ensure that i-nexus remains at the forefront of its chosen market. We will find the necessary resources, within our limited overhead, to ensure we are looking forward with our customers and market analysts to ensure we can provide broader capability, unlocking a larger and potentially more dynamic market.

Net retention is of course central to the success of any subscription business and we are pleased that this has seen a marked improvement in the year to 98% (FY21: 74%) (measured by the total of on-going MRR at the year-end from clients in place at the start of the year as a percentage of the opening MRR from those clients). We are confident that the positive increase we have seen is sustainable over the next 12 months. Importantly we are back winning new customers and, although initial engagements are deliberately smaller, the opportunities to grow these accounts following successful initial deployments is, in many cases, contractually assured. New customers, growth from existing customers and improving partner sales all underpin our growth aspirations for 2022/23. In challenging market conditions we have broadly achieved our aims for 2021/22 and look forward with optimism for the current year.

As we look forward it is clear that our current market capitalisation has little or no relationship to the underlying value of the business, its customer base, its well established technology or its financial position. It is a reflection of the challenges that many small businesses quoted on AIM currently have. The Board will seek ways to reengage with the market to help awaken a greater appreciation of the value of the business, while considering all options in the best interest of all stakeholders.

The management team has faced tough times over the last few years and have remained at the helm throughout, never faltering in the most harsh circumstances. During the year, Alyson Levett, our CFO, decided to step down to pursue her career as a pluralist non-executive director. She has been an outstandingly committed executive director, steering the business through its IPO and subsequent challenging economic times. I would like to thank Alyson for her contribution to the business and wish her well with her future endeavors.

We are delighted to have found an exceptional CFO to take up the role, Drew Whibley, joining us from his role as Group Finance Manager at LSE listed software business Aptitude Software Group plc. Drew has fitted into the management team with ease and has already proven a fantastic asset to us



and we are delighted to have him on board. In addition I'd like to thank all our employees for their continued commitment to the business, their hard work and dedication.

Without downplaying the obvious challenges ahead in any way, I look forward to the coming years with increased optimism underpinned by a small but exquisitely formed team, a growing market, a sound product, blue chip customers and "baked in" account growth.

Richard Cunningham
Chairman

6 January 2023

STRATEGIC REPORT:
Chief Executive Officer's Report

"I am pleased to report on a year of solid progress at i-nexus, in which we delivered on all three areas of our strategic plan, resulting in growth in new business wins, a more stable cash runway, and greater clarity on our future direction. The sales successes in the year combined with the significant improvement in customer renewals, enabled us to achieve our target of double-digit underlying MRR growth in the year."

Overview

I am pleased to report on a year of solid progress at i-nexus, in which we delivered on all three areas of our strategic plan, resulting in growth in new business wins, a more stable cash runway, and greater clarity on our future direction. The sales successes in the year combined with the significant improvement in customer renewals, enabled us to achieve our target of double-digit Underlying MRR growth in the year.

The successful reignition of our marketing activities was key to building a strong sales pipe which we are confident will continue to deliver. We proved during the year we could convert these deals into new wins, and quickly demonstrate value to our customers, ensuring higher levels of renewals and expansion deals. The efforts we made to re-build our sales momentum mean we are continuing to deliver a consistent volume of well verified leads each month and currently have a further fifteen trial implementations in progress, providing visibility on the pipeline into the new year.

For the i-nexus workbench product, we invested heavily in those areas that simplify use for quicker and easier adoption which has provided much deeper engagement during both the sales journey and customer deployment.

Trading

We secured a record number of new customers in the year, winning nine new logos (FY21: four), which along with the existing account upsells and lower levels of churn, delivered an exit Underlying MRR for the year uplift of 12% to £250k (FY21: £223k, Reported MRR £235k). As is typical with our new customers, each of these wins services limited business areas or teams within the customer and so each carry substantial expansion opportunities.

We renewed over 90% of our customers, a considerable improvement on the prior year, and expanded the use of our software within four existing accounts (FY21: two). The improvement in renewal rates reflects the rigour and routine we have brought to the review of accounts with our customer stakeholders, and the release of enterprise software budgets following the freeze experienced during Covid times.

Fundamental to these successes has been our increased understanding of where we sit within the competitive market landscape. We are now clearer on our differentiators and confident our platform is the best in class to support enterprise level strategy execution – a view confirmed to us by our prospects.

We continue to refine our sales approach to ensure we are best placed to capture this growing market. Areas of improvement include streamlining the onboarding process to under 30 days, ensuring ROI and customer value are front and centre of the sales discussion and simplification of our initial product demonstrations, particularly around our key differentiator: our ability to deliver Hoshin Kanri methodology.

We continue to be approached by a range of potential partners and will consider ways to capitalise on this interest in the year ahead.

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 ecosystems where i-nexus' software delivers considerable value.

Our software category – Strategy Execution Management (SEM) – continues to evolve and gain momentum as companies accelerate digitalising 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 on 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. We have seen greater demand for strategy execution post-Covid, in response to the "no normal" business environment. And while we have seen a higher level of smaller software providers entering the market, with SME targeted offerings, we continue to dominate the enterprise level part of the market.

Our competitive strength

We are seeing an increased sophistication in our market, with prospects frequently now coming to us with very well thought through capability requirements, having pre-evaluated i-nexus against the competition on a matrix of criteria.

We continue to see that i-nexus has several clear advantages in strategy execution against SPM vendors: the market leading Hoshin Kanri capabilities built into our platform, including our X-Matrix; the configurability and flexibility of the platform; the depth of functionality including powerful strategic planning and performance management capabilities that complement portfolio management features; and proven enterprise readiness.

In addition to the above, i-nexus' customers benefit from insight gained from over fifteen years of market experience in strategy execution. Our experience and long-standing in the industry also mean our software is calibrated to integrate smoothly into an enterprise's existing strategy processes.

People

We have a talented, committed team at i-nexus, all pulling in the same direction and now delivering better results. The results this year are even more impressive when taking into account the considerably reduced size of the team. Each person has gone above and beyond to grow sales momentum, develop our products and deepen customer relationships, and the Board would like to once again thank them all for their commitment.

During the year we spent time on various activities to help strengthen our team and ensure we have the right qualities and shared purpose to take us forward. These included defining our Vision and Values, introducing improvements to our employment packages, even more rigorous hiring processes and the select expansion of our teams to ensure we had sufficient depth to properly service our existing customer base. As a result of these measures, we have a strong, cohesive team, working together to deliver on our growth plan.

STRATEGIC REPORT:
Chief Executive Officer's Report continued

Strategic focus for the year ahead

Our strategy for the current year is focused on three main programs of work:

1. To accelerate the landing of new logos – which we will achieve though continuing to reduce friction in buying i-nexus and enhancing the trial experience.
2. Prove our ability to expand within accounts – with nine new logos secured in FY22, proving we can grow these accounts is key. We are launching an updated set of value measures and increased customer marketing and forums.
3. Improve the customer experience within our Workbench product – developing key insights and output screens as requested by customers.

We believe through continued focus on these programs, we will drive the success of the business.

Innovation

This year and next year we will continue to focus our innovation efforts on increasing the usability of our platform and the delivery of valuable insights. Through this we intend to increase growth from existing customers which is a key component to our land and expand sales model; providing focus on giving the best user experience, eliminating waste and delivering valuable insight.

Being a software/product company, we continually look at product innovations in our space. This last year and next year are no different. We have a number of potential product candidates, currently being assessed for customer validation, that we hope to take through to a minimal viable product in the year ahead.

Current Trading and Outlook

Following the growth in MRR and our careful management of the impacts of cost inflation on the business, we continue to have clear visibility of our cash runway.

The growing interest in strategy software, the relaxation of enterprise software budgets, the enhancements we have made to our products and our increased sales and marketing skills, all combine to provide us with confidence in our outlook and ability to deliver another year of double digit MRR growth.

Simon Crowther
Chief Executive Officer

6 January 2023

STRATEGIC REPORT: Chief Financial Officer's Report

"During the year, we delivered on a key financial objective, to become self-sufficient in working capital terms. This enabled us to complete a select number of additional one-off strategic investments from within our own cash resources, strengthening our team as we head into FY23."

Revenue

Licence revenues

Monthly recurring revenue ('MRR'), the key financial metric for the Group, grew by 12% in the year to £250k at 30 September 2022 (30 September 2021: £223k after adjusting for foreign exchange and IFRS adjustments, Reported MRR £235k) as the business secured a record nine new logos (FY21: four) alongside continuing to expand the use of our software in a growing number of accounts. These results represent a significant turnaround from both 2021 and 2020 (reduction in MRR of 23% and 10% respectively) as the Group's key markets were disrupted by the onset of the pandemic.

Highlighting both the increasing strength of our client relationships and the release of enterprise software budgets following the freeze experienced during the last two years, net retention in the year was 98% (FY21: 74%).

As expected, software revenues recognised in 2022 reduced to £2,857k (FY21: £3,333k) due to the lagged impact of the exceptional levels of non-renewing contracts the business experienced in the prior year.

As a consequence of our subscription revenue model however, the new customer successes achieved in the year and growing expansion opportunities in our base set the business up well to return to software revenue growth in FY23.

This view is further supported by the business securing three new logos and one account expansion in Q1 2023, delivering net MRR growth of £12k.

Services revenues

Revenue from associated professional services was broadly in line with prior year levels at £270k (FY21: £306k) despite the 40% reduction cited at the half year against H1 2021. The uplift in H2 reflects the timing of delivering new customer deployments and existing change orders, a trend expected to continue into H1 2023 underpinned by the deferred revenue balance related to services at 30 September 2022 being three times higher than at 30 September 2021.

Gross Margin

Gross margin in the year remained stable at 79% (FY21: 83%) with the reduction in revenue driving the fall from £3,004k to £2,461k.

Reported Gross Margin is the combined Gross Margin over both recurring software subscriptions and professional services.

Adjusted EBITDA

Adjusted EBITDA (EBITDA excluding the impact of impairment, loss on disposal of assets, share-based payments and non-underlying items) totalled a loss of £552k for the period (FY21: £257k), with the fall in gross margin of £542k being constrained by a drop in overhead costs of £247k reflecting the full impact of the cost control initiatives undertaken last year.

Whilst the Group's continuing focus is to return to EBITDA breakeven, during the second half of 2022 the business decided to accelerate a select number of investments both in its existing employee base to preserve retention and in additional resource needed for operational delivery. The strengthening of the team was considered fundamental to the Group realising the market opportunity and delivering on the next stage of its growth strategy.

There are currently no plans to make further investments in FY23 until such time as revenue growth is delivering a positive Adjusted EBITDA.

Depreciation, amortisation and impairment

Total costs in respect of depreciation, amortisation, and impairment were £385k in FY22 (FY21: £552k). With the business having low capital expenditure requirements, the value is principally made up of amortisation on intangible assets, being capitalised development costs, (£165k, FY21: £79k) and any subsequent impairment charges (£155k, FY21: £294k).

These costs are reflective of the continual evolution of the market in which the Group operates, the needs of its customers, both present and prospective, and the Group's agile approach to continually developing and improving its offering.

Non-underlying items

Non-underlying items in the prior year totalling £144k comprise redundancy costs and professional and consultancy fees relating to the raising of finance. No such costs were incurred in FY22.

Statutory results

The Group reported a loss before taxation for the year of £1,105k (FY21: £1,133k).

Cash and cash equivalents

The Group had cash & cash equivalents at 30 September 2022 of £99k (FY21: £575k), with the end of the financial year representing a cash low point for the business given the seasonality in cash flows arising from the timing of the invoicing and collection of the Group's recurring revenue, the majority of which is billed during Q1 and Q2.

During the year, we delivered on a key financial objective, to become self-sufficient in working capital terms. This enabled us to complete a select number of additional one-off strategic investments from within our own cash resources, strengthening our team as we head into FY23.

Driving this outcome was a £725k reduction in the net outflow of funds from operating activities (FY22: (£237k, FY21: £962k) reflecting the impact of new business successes, improved service billing and a strong renewal performance.

Careful cash management will continue to be a priority focus for the Board. As previously outlined, there are currently no plans to increase the existing cost base in the coming year until such time as revenue growth delivers a position of at least Adjusted EBITDA breakeven.

The Group also continues to apply treasury and foreign currency exposure management policies where possible to minimise both the cost of finance and our exposure to foreign currency exchange rate fluctuations.

Net debt at 30 September 2022 was £1,710k (FY21: £1,321k). On 30 September 2022, the Company agreed with the holders of the £1,325k Convertible Loan Notes to extend the redemption date from 4 November 2023 to 4 November 2024, see note 22 for further details.

The Group prepares budgets, cashflow forecasts and undertakes scenario planning to ensure that the Group can meet its liabilities as they fall due.

The Board's assessment in relation to going concern is included on page 32 of the financial statements.

Balance sheet

Trade receivables (net) have increased to £604k due to the timing of receipt of annual licence fee and subscription invoices issued in the final months of the year (FY21: £557k).

The growth in the Group's MRR and accompanying services resulted in deferred revenue increasing to £1,320k at 30 September 2022 (FY21: £1,030k). The Group's cash collection disciplines remain strong with DSO (debtor days) at 30 September 2022 of 60 (2021: 70).

Principal risks and uncertainties

The Group's principal risks and uncertainties are set out on pages 11 to 16.

Drew Whibley
Chief Financial Officer

6 January 2023

STRATEGIC REPORT:
Principal Risks and Uncertainties

The Board of the Company regularly reviews business risk and the Group's appetite for risk relative to its goals. There are a number of potential risks and uncertainties, some of which could have a material impact on the Group's performance, and therefore could cause actual results to differ materially from those expected.

Set out below are the significant business risk areas identified, together with an overview of the mitigating factors considered by the Board. This is not an exhaustive list of the risks faced by the Group and is not necessarily presented in order of priority.

Risk	Description	Mitigation
Working capital Vulnerability of the Group's long term working capital.	Whilst the Directors believe that the improvement in sales conversion seen in FY22 is sustainable, the Group's working capital position is still exposed should this weaken and /or its expected growth with existing accounts be lower than planned in FY23. The Group's continuing viability in the longer term remains critically dependent on its ability to secure new sales and expand the use of the software in existing accounts. It is possible that the Group will experience a slower and/or lower sales conversion rate than the Directors have modelled within their base case financial projections. This could in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.	Trend: Level risk 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 mitigating actions management can implement should the plans not deliver the expected sales growth.

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Market & product development The strategy market may not evolve as expected or our products fail to meet the expectations of the market.	Whilst the Board believes that there is strong evidence of an increasing trend to digitalise strategy by its target customers, a large proportion of the Group's target market continues to use traditional methods and in-house developed systems. Although 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, there is no guarantee that either our product continues to meet customer expectations or 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 on the Group's business.	Trend: Level risk The Group has internal sales and marketing functions, which are also supported by a network of consulting partners, that work with potential customers to educate them on the benefits of digitising strategy and the associated benefits the product can offer an organisation. The rate of incoming enquiries supports the view that recent events appear to have made the need to digitise strategy more widely accepted. The Board feels that recent enhancements along with the Group's product strategy and R&D focus mitigates this risk. 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.
Account Proliferation Failure of our existing accounts to grow as planned, 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 occurring will impact the Group's future success and adversely affect its business, prospects and financial position.	Trend: Reducing risk Many of the new logos signed in FY22 were "Land and Expand" opportunities with clear intent, whereby a smaller subset of a much larger future deployment have commenced using the product first. The Board expect to see the beneficial impact of this strategy in FY23 and have taken measures to increase the number of Success Managers in the year. This team's efforts at growing our existing accounts has been assisted by the recent product enhancements aimed at improving user experience. The Board continue to monitor the efficacy and outcomes of the Group's efforts in growing existing accounts.

Risk	Description	Mitigation
Dependence on key Customers Failure to retain our larger key customers.	A small group of key customers provide approximately half of the Group's MRR, with one representing nearly 20 per cent of closing 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.	Trend: Level risk The majority of this small group of customers are in contracts with a remaining term of more than one year and all bar one of them have been longstanding clients for a period of at least five years and, in the case of two of them, ten years. 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. Whilst this cannot guarantee renewal of all customers in the face of disruptive external factors that we cannot reasonably foresee or manage, the overall risk level is aligned with FY22 where the business achieved its highest retention rates.
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 Group or its customers' business. Given the reliance of the business on its information technology systems, the 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.	Trend: Level risk The Group takes its Information Security very seriously as demonstrated by its ISO27001 accreditation. Employees are trained in this area to ensure best practice measures are followed for Information Security. The Group utilises the latest security products such as end point security systems, with staff receiving regular security awareness training and testing. The security regime is regularly reviewed, and the Group invests in state-of-the-art systems to keep both its cloud platform and office networks protected against cyber-attack. In addition, our systems are subjected to frequent and rigorous third-party penetration testing to help ensure our system integrity. The Group has cyber security insurance in place and the Group endeavors to secure limitations of liability clauses in its customer contracts.

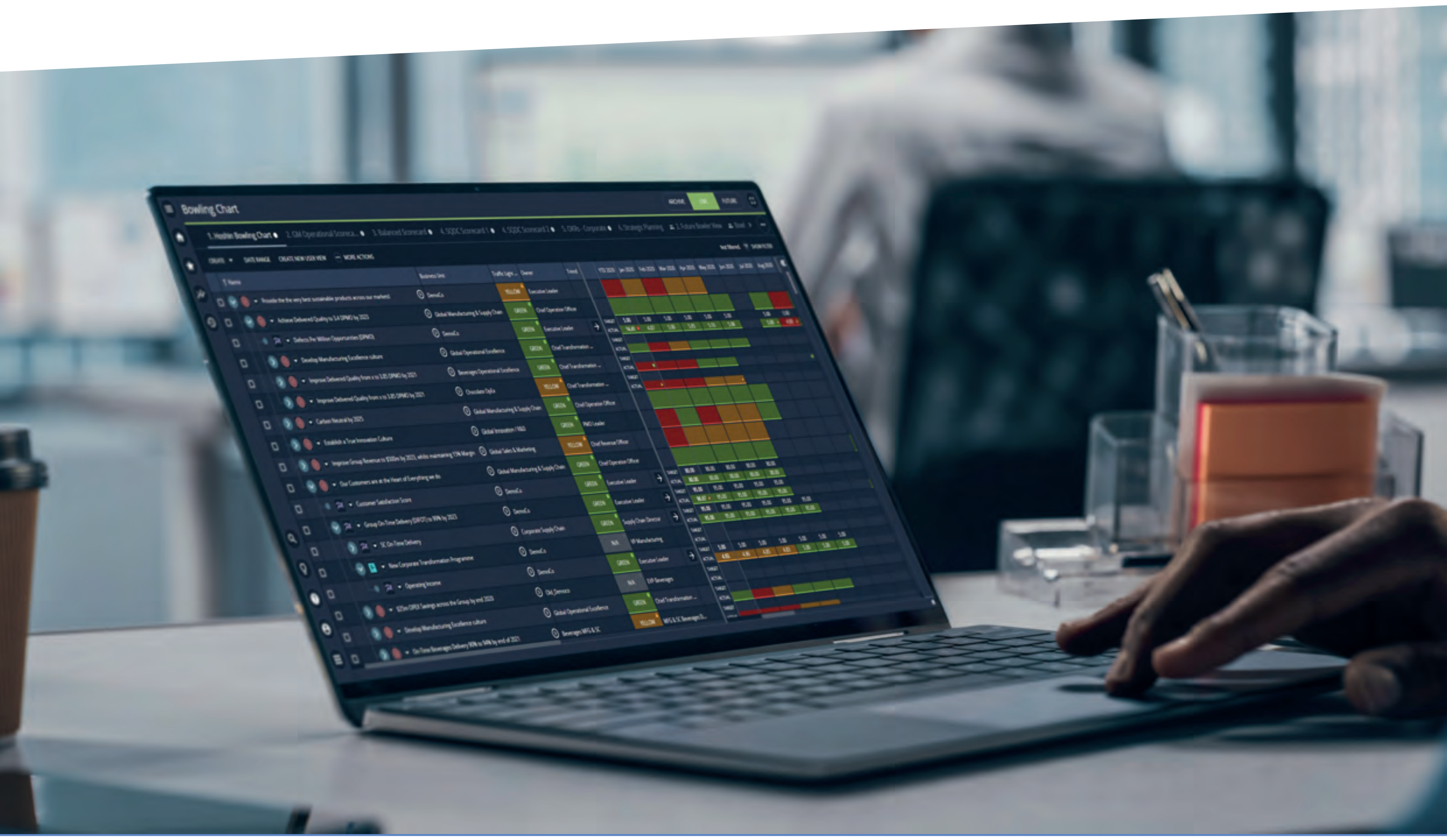
STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Recruitment & retention Risk of failing to attract and/or retain key personnel.	As the Group grows it has a dependence on the recruitment and retention of highly skilled employees and an ongoing reliance on a limited number of key personnel, including the Directors and senior management, who have significant sector experience. The job market is increasingly competitive in the cloud technology sector, particularly following the pandemic and subsequent acceleration of cloud adoptions and digital transformation trends. The business requires specialist technical skills that can be scarce. 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.	Trend: Level risk The Group works closely with external parties to ensure competitive pay and benefits are being offered to both attract and retain people. We continue to invest in people development and training initiatives to provide opportunities for career fulfillment and progression. Wherever appropriate we seek to develop and promote from within the existing staff pool. The Group has invested heavily in this area in FY22 and is a continuing area of focus for FY23. Executive and staff remuneration plans, incorporating long-term incentives, have been implemented to mitigate this risk.
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 available. However, unlocking this potential has proven to be difficult in recent years and failing to have productive channel partners in the future could affect the Group's future success.	Trend: Level risk Renewed efforts in relation to the evolution of this strategic theme will take place in FY23 as investment in resource is unlocked by growth. The Board will closely monitor progress.

Risk	Description	Mitigation
Financial risk management The principal financial instruments used by the Group, from which financial risk arises, are trade receivables, cash at bank, trade and other payables.	**Credit risk** Credit risk is the risk of financial loss to the Group if a partner or customer fails to meet its contractual obligations.	Trend: Level risk The Group is principally exposed to credit risk from credit sales and/or bank default. It is Group policy to assess the credit risk of new customers and partners before entering new contracts and it has a frequent and proactive collections process. Under the terms of our contracts many services are charged for in advance of delivery, thus mitigating the risk further.
	Liquidity risk Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.	Trend: Level risk On a monthly basis, the Directors review the Group's trading to date, the Group's full year financial projections as well as information regarding cash balances, debtors, trading and prospects. This allows the Directors to form an opinion as to the working capital of the Group and its likely future requirements in order to plan accordingly.
	Currency risk As a consequence of the Group's exposure transacting in foreign currencies there are risks associated with changes in foreign currency exchange rates. The Group is based in the United Kingdom and presents its consolidated financial statements in pounds Sterling. The Group's current revenues are generated primarily in Sterling, US dollar and Euros. The Group also has some contractual obligations that are denominated in US Dollars.	Trend: Level risk 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. Notwithstanding these hedging arrangements, the Group does have exposure to translation effects arising from movements in the relevant currency exchange rates against sterling. Therefore, there can be no assurance that its future results or resources will not be significantly affected by fluctuations in exchange rates.

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
	Inflation risk Inflation risk has been very limited for most of the last decade. However, as with many technology businesses, the Group is experiencing increased inflationary pressures within its cost base. The timing of a customer's invoice for their typically annually in advance software fee can also contribute to a delay in inflationary pressures being passed to customers.	Trend: Increasing risk The Board acknowledge that inflationary pressure is now mounting with certain vendors already applying increases as a result. The Board have agreed that a review of the Group's vendor base and accompanying pricing model be undertaken as a potential countermeasure to ensure margins are preserved.



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.

This duty underpins the Board's decision-making processes and the Group's strategic direction, with due consideration given to the long-term impact of its decisions on shareholders, employees, customers and wider stakeholders. Practical measures that the Board takes to ensure the interests of these stakeholders are reflected in the Board's decision making process are as follows:

Stakeholder Group	Principal Methods of Engagement
Shareholders	The Board engages with shareholders throughout the year. During FY22, engagements with major shareholders and investors were as and when required which also included detailed feedback reports via our various advisors. This feedback is factored into the Board's decision-making process and to ensure that the Group's market communications meet investor needs. All shareholders are encouraged to submit questions prior to the Annual General Meeting and to lodge their votes ahead of the meeting to ensure that these are counted. The Annual Report is sent to shareholders at least 20 working days before the Annual General Meeting and each issue for consideration at the Annual General Meeting is proposed as a separate resolution. All Directors generally attend the Annual General Meeting.
Employees	The Board is fully committed to ensuring that the opinions of employees across all business areas are regularly sought and factored into its decision-making process. Through these engagement activities, the Board is able to gather opinions and ideas from the wider workforce, identify any communication gaps or common areas of concern and address these through the Group's activities. 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 CFO along with monthly All Hands briefing emails 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 is proactive in engaging directly with its clients to monitor and continually improve its service delivery and client satisfaction levels. The Board receives monthly reports on client-related matters, including support ticket levels, service delivery and project status reports, which enable it to identify any trends or any areas requiring specific oversight or investment. In the event that any concerns are raised by clients, the Group ensures that these are addressed swiftly and that proactive engagement occurs to ensure ongoing high standards of service delivery. The Group seeks direct engagement with clients throughout their customer journey, providing opportunities to speak to their support team, account manager or a member of senior management.

STRATEGIC REPORT:
Stakeholder Engagement continued

Stakeholder Group	Principal Methods of Engagement
Suppliers	The Group engages closely with its suppliers and has internal procedures to ensure that appropriate due diligence is undertaken on these vendors. Engagement with any new supplier is subject to a formal process and requires final approval from an Executive Director. Significant supplier contracts of a recurring nature require approval from the Board as a whole. Suppliers are chosen according to their ability to meet the Group's own high standards and to demonstrate values that are consistent with those of the Group. Regular engagement takes place with key suppliers, monitoring their performance against contractual obligations and providing regular feedback in order to foster and support long-term relationships for the benefit of the Group. In the event that delivery standards do not meet the Group's expectations, proactive steps will be taken to communicate and address these directly with the supplier to ensure that there is no detrimental impact upon the Group's activities.
Environment	As a provider of software solutions, the Group's operations have a relatively limited impact on the environment. However, the Board is committed to implementing measures that will result in incremental improvements to the Group's environmental impact, such as avoiding unnecessary travel and using video-based meeting facilities where appropriate. The entire workforce is also provided the technology and flexibility to work remotely to minimise travel. Environmental impact is also included in the decision-making process for new and existing suppliers, for example, Amazon Web Services, the provider of our hosting services are committed to running their 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	At the end of each financial year, the Board approves the annual budget, strategy and growth plans of the Group for the year ahead. In October 2022, the Board approved the Budget for FY23 which incorporated a number of revenue growth and cost targets. It is felt that these are 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 along with compliance with ISO requirements as applicable. During the year, the Board spent significant time reviewing and agreeing the Group's sales and product strategy alongside making a number of tactical decisions, for example on the timing and quantum of investment into the product development, customer engagement and marketing teams and the decision to seek approval from the holders of the Convertible Loan Notes to extend the final redemption date by 12 months to 4 November 2024.	Shareholders, Employees, Customers, Suppliers, Environment

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. By way of example, at the Group's recent employee wide annual "Launch Event" it included a dedicated Mental Health Workshop. 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. In June 2022, this process resulted in annual salary increases and improved pension packages for both Executive Directors and the wider employee base. Following the year-end, the Board issued 2,255,343 options to Directors and employees, see page 73 for details.	Shareholders, Employees
Governance, Regulatory Requirements and Risk	The Board reviews and approves the results announcements and trading updates, the half year and annual reports 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 alongside any 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 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 compliance with requirements.	Shareholders, Employees, Customers, Suppliers, Environment

Maintaining a reputation for high standards of business conduct

The Board is mindful that the continued growth and success of the Group is dependent upon maintaining high standards of business conduct, including:

- the ability to successfully compete within the market, to attract and retain clients, and to service these clients to a high standard;
- the ability to attract and retain high quality employees;
- the ability to attract investors and to meet their expectations of good governance and sound business conduct; and
- the ability to meet the Group's regulatory obligations, and to meet the expectations of relevant regulatory bodies.

This awareness underpins the formulation of the Group's strategy and is evident throughout the Board's decision-making process.

Ensuring that members of the Company are treated fairly

The Board ensures that the Group's shareholders are treated equally and fairly, regardless of the size of their shareholding or their status as a private or institutional shareholder. The Group provides clear and timely communications to all shareholders in their chosen communication medium, as well as via the Group's website and via a Regulatory News Service. All holders of Ordinary shares are eligible to receive dividend payments and to vote at general meetings of the Company.

D. Whibley

By Order of the Board

Drew Whibley
Director
6 January 2023

CORPORATE GOVERNANCE:
Board of Directors

Richard Cunningham, Non-Executive Chairman

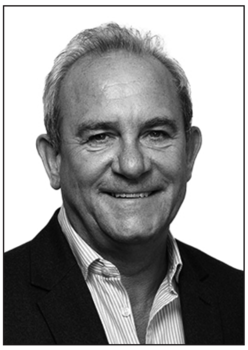
Richard Cunningham is a technology entrepreneur who has built and sold a number of businesses and who has extensive experience in equity research, financial analysis and corporate finance, focusing on technology companies. He built one of the UK's leading independent corporate telecommunications service 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.

Drew Whibley, Chief Financial Officer

Drew Whibley joined the Group as Finance Director in 2022, assuming a strategic role and day-to-day responsibility for planning, implementing, managing, and controlling all finance-related activities. A Chartered Accountant, most recently Drew spent five years with LSE listed software business Aptitude Software Group plc, during which he, as Group Finance Manager, oversaw both the internal and external reporting and budgetary requirements while playing a key role in delivering on the Group's strategy.



David Firth, Independent Non-Executive Director

David is a Fellow of the Institute of Chartered Accountants in England and Wales and is a highly experienced PLC board member with a strong understanding of the software industry. His current directorships include Parity Group plc, an IT services and data consultancy business, Best of the Best plc, an organiser of weekly competitions on-line to win cars and other luxury prizes and Celadon Pharmaceuticals plc, a UK based pharmaceutical company focused on the research, cultivation, manufacturing, and supply of cannabis-based medicines. He is chairman of the remuneration and audit committees at all three companies. David was previously Finance Director of Penna Consulting plc from 1999 to 2016 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 its 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 Chief Executive Officer’s Report 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 whilst the AGM provides an opportunity for all shareholders to engage and to ask questions of the Board. The Group also 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 Stakeholder Engagement section of the Strategic report on pages 17 to 18.

CORPORATE GOVERNANCE:
Corporate Governance Statement continued

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 11 to 16. 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 22. 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

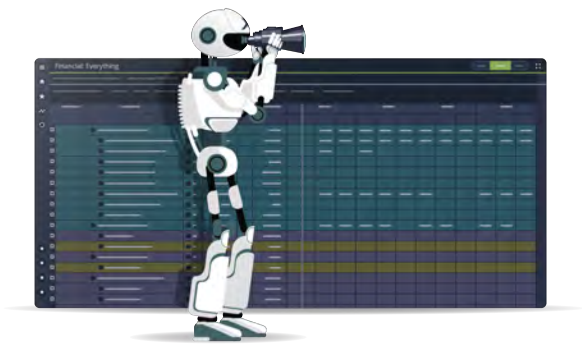
The Board considers its overall size and current composition to be suitable and have an appropriate balance of sector, financial and public markets skills and experience as well as an appropriate balance of personal qualities and capabilities. Further details on our compliance in this area can be found on page 22.

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

During the year, the Group formally communicated its company values to all employees after seeking input from several areas of the business. These include but are not limited to the following behaviours and attitudes; ego-less, customer centric, high integrity, respectful, supportive, caring, professional, quality driven, passionate, think for themselves.



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 implementing appropriate systems and controls 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, these will continue to be reviewed by the Board to ensure they remain appropriate as the business 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 alongside each receiving 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 2022, 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 providing 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	NOMINATION COMMITTEE
Richard Cunningham	12/12	2/2	3/3	1/1
David Firth	12/12	2/2	3/3	1/1
Simon Crowther	12/12	–	3/3	1/1
Alyson Levett (resigned 1 August 2022)	10/10	–	2/2	1/1
Drew Whibley (appointed 1 August 2022)	2/2	–	1/1	1/1

Roles and Responsibilities

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

CORPORATE GOVERNANCE:
Corporate Governance Statement continued

The Chairman provides leadership to the Board by ensuring that there is sufficient time to discuss issues on the agenda and facilitates 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, 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, a Chartered Accountant who brings a high level of financial and corporate governance experience, chairs 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 compliance with accounting standards on software revenue recognition, capitalisation of software development costs and other key 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 findings reported by the Independent Auditor and discussions with the Chief Financial Officer.

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.

Independence and objectivity

The Committee has a policy that aligns with current ethical standards in 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 LLP or its associates that may have a bearing on its independence.

Further details of the audit fees paid, to Saffery Champness LLP for the 2022 and 2021 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 FY22. Those relating to the Group's Tax services, specifically those relating to the 2022 Tax compliance and advisory services were provided by Azets.

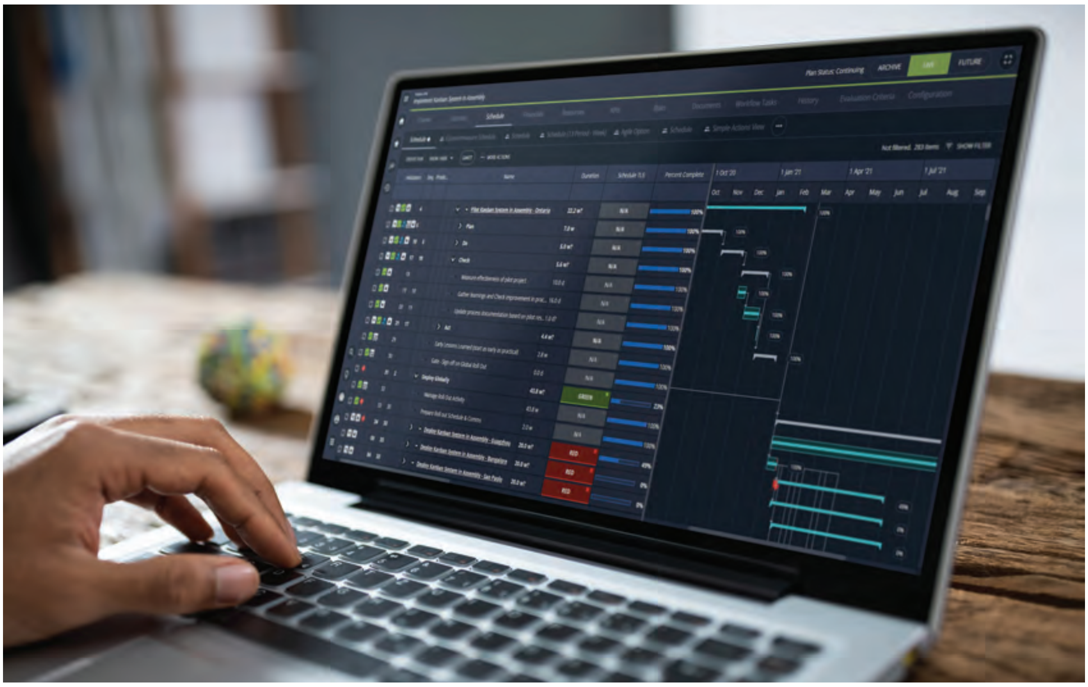
The Independent Auditor also met with the Chairman of the Committee without management present. The effectiveness of the annual audit process was also reviewed and the quality of delivery and service levels provided were assessed.

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. During the year the Committee met and approved the appointment of Drew Whibley as a Director from 1 August 2022 following Alyson Levett's decision to step down from the Board in order to pursue her career as a pluralist non-executive director.



CORPORATE GOVERNANCE:
Directors' Report For the year ended 30 September 2022

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 2022.

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
Simon Crowther
Drew Whibley (appointed 1 August 2022)
Alyson Levett (resigned 1 August 2022)

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 Group and Company financial statements for each financial year. The Directors have elected under company law and are required under the Listing Rules of the Financial Conduct Authority to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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.

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 UK-adopted International Accounting Standards, 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 Group'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 Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 23 to the financial statements.

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 2022 remuneration proposals based on what the Remuneration Committee believe to be appropriate remuneration levels for the Group at its current stage of development.

During the year the salaries of the Directors were increased from 1 June 2022 in conjunction with the review of salaries for the wider workforce. Simon Crowthers' salary was increased by 8% with effect from 1 June 2022, taking this from £175,800 to £190,071. This salary increase is aligned with the increases that were received by the Group's wider workforce.

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 being to deliver on the annual budget targets which are approved at the start of each financial year.

In 2022, 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 January 2021, 50% of which were due to vest at the end of FY21 and the other 50% at the end of FY22 based on continued employment and certain performance conditions surrounding revenue growth being met. These amounts included 1,270,578 to Directors at the time of grant.

Whilst none of the LTIP awards granted to Directors vested in respect of the performance in 2021, the Remuneration Committee concluded on an overall vesting level of 50% on the awards held by Simon Crowther and Alyson Levett based on the Groups performance in 2022.

Director	Shares subject to award	Vesting percentage	Vested shares	Value £
Mr S Crowther	266,144	50%	133,072	–
Ms A Levett (resigned 1 August 2022)	251,359	50%	125,680	–
Total	**517,503**	**50%**	**258,752**	**–**

The value included in the single total figure of remuneration is based on the estimated vesting outturn and the estimated value of a share at vesting calculated by reference to the three-month average share price up to 30 September 2022 less the per share exercise price (10 pence).

CORPORATE GOVERNANCE:
Directors' Report continued

Following the year end, on 3 October 2022 and 11 November 2022, the Group granted 2,255,343 share options of which 1,044,883 were awarded to Directors. Each award was granted in the form of an option with an exercise price of 10p per share. The vesting of these options to Directors is subject to the satisfaction of the performance conditions based on continued employment and a revenue growth target. 396,260 of these awards are subject to vest at the end of 2023 with the remainder at the end of 2024.

Director	Shares subject to award
Mr S Crowther	702,075
Mr D Whibley	342,808
Total	**1,044,883**

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

The remuneration of Directors for the year ended 30 September 2022 and 2021 was as follows

Director	Salary £	Benefits in Kind £	Pension £	2022 Total cash & cash equivalent remuneration £	2021 Total cash & cash equivalent remuneration £
Mr S Crowther	180,140	–	15,674	195,814	181,033
Ms A Levett (resigned 1 August 2022)	106,813	–	9,734	116,547	143,876
Mr R Cunningham	48,000	–	1,253	49,253	49,148
Mr D Firth	30,000	–	–	30,000	18,308
Mr D Whibley (appointed 1 August 2022)	21,671	–	2,167	23,838	–
Mr N Halkes (resigned 31 March 2021)	–	–	–	–	20,125
Total	**386,624**	**–**	**28,828**	**415,452**	**412,490**

In addition to the above remuneration, the directors have been granted share options with fair value as shown in the below table below. These options are presently out of the money but are ascribed a fair value and included as a component of directors' remuneration in line with the requirements of IFRS 2.

Director	Fair value of share options £'000's	2022 Total remuneration £'000's	2021 Total remuneration £'000's
Mr S Crowther	2,706	198,520	185,638
Ms A Levett (resigned 1 August 2022)	1,951	118,498	147,196
Mr R Cunningham	–	49,253	49,148
Mr D Firth	–	30,000	18,308
Mr D Whibley (appointed 1 August 2022)	–	23,838	–
Mr N Halkes (resigned 31 March 2021)	–	–	20,125
Total	**4,657**	**420,109**	**420,415**

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 2022 Number	30 September 2022 %
Simon Crowther	**868,475**	**2.94**
Richard Cunningham	**1,083,100**	**3.66**
David Firth	**180,000**	**0.61**

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 3,765,000 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 and Drew Whibley held no external Non-Executive Directorships in the period. Richard Cunningham, David Firth and Alyson Levett prior to her resignation from the Board held external Non-Executive Directorships in the period.

Results and Dividends

The results for the year are set out on page 40 and are also discussed in the Strategic Report. The Directors do not recommend payment of a dividend (FY21: nil).

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. There were no share issues and changes to the capital structure during the year.

CORPORATE GOVERNANCE:
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 2022 Number	30 September 2022 %
1	Hargreaves Lansdown Asset Mgt (Bristol)	**4,227,771**	**14.30**
2	Herald Investment Mgt (London)	**4,031,490**	**13.63**
3	Abrdn plc	**3,110,492**	**10.52**
4	Antrak Limited (UK)	**1,852,210**	**6.26**
5	Gresham House (London)	**1,582,279**	**5.35**
6	Bury Fitzwilliam-Lay and Partners LLP (UK)	**1,459,460**	**4.94**
7	Private Stakeholders (UK)	**1,389,965**	**4.70**
8	BPCE (Paris)	**1,250,000**	**4.23**
9	Eiffel Investment Group	**1,150,000**	**3.89**
10	Richard Cunningham	**1,083,100**	**3.66**

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

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements. Information used to make this decision is detailed below.

A scenario testing exercise, in which the Directors prepared detailed cash flow forecasts for the period covered by the going concern forecast, was performed. The forecasts take into account the Directors' views of current and future economic conditions that are expected to prevail over the period including assumptions regarding the sales pipeline, future revenues and costs with various scenarios which reflect growth plans, opportunities, risks and mitigating actions. Alongside managements base case forecast, the Group prepared an extreme downside scenario where, outside of the deals secured in Q1 2023, any growth in MRR across the period would be offset by non-renewals, reducing total billing across recurring and services revenue by £510k. Under this extreme scenario, the Group has given consideration to the potential actions available to management to mitigate the impact of these sensitivities, in particular the discretionary nature of costs incurred by the Group, in order to ensure the continued availability of funds. Financial performance in 2023 is not expected to be materially impacted from current year levels due to the long-range revenue visibility achieved through the recurring revenue business model. These recurring revenues, representing 90% of total revenue, are considered resilient given the majority are on multi-year terms. The forecast also assumed that the Group does not have access to any further external funding. Based on current trading, the stress test scenario is considered very unlikely.

The Group continues to monitor the collection of monies from clients with no material delays in payment being cited. The business benefits from an Annual Licence Fee Model in which software licence fees are received annually in advance.

Events After the Reporting Period

Details of events after the reporting period for the Group are detailed within note 33 to the financial statements.

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 2022 AGM on Monday 27 February 2023. The Notice of the Meeting accompanies the Annual Report and Accounts.

By Order of the Board

D. Whibley

Drew Whibley
Director

6 January 2023

FINANCIAL STATEMENTS:
Independent Auditor's Report For the year ended 30 September 2022

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 2022 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated 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 UK-adopted international accounting standards.

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 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

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 risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report.

Our group audit scope included an audit of the group and parent company financial statements. Based on our risk assessment, 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. The group manages its operations centrally 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. The extent to which our audit work on the components was based on our assessment of the risk of material misstatement and of the materiality of that components. The components within the scope of our audit work therefore covered more than 90% of group revenue, group profit before tax and group net assets.

At group level we also tested the consolidation process to confirm our conclusion that there were no significant risks of material misstatement in the consolidated financial information

Key audit matters

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

Key Audit Matter	How our scope addressed this matter
Revenue recognition 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 of £3,126,804 and deferred revenue of £1,319,674 have been recognised during the year. Revenue is recognised in accordance with IFRS 15 'Revenue from contracts with customers' and through application of the 5-step model, there is significant judgement as to: • Identifying performance obligations; • Allocating transaction price to performance obligations; and • Determining when performance obligations are satisfied. The significance of revenue and deferred revenue to the group and the judgements involved regarding recognition have led us to identify this as a key audit matter.	Our audit procedures included the following: • We reviewed the revenue recognition policy to ensure it is appropriate and compliant with IFRS 15; • We substantively tested revenue streams on a sample basis by reference to purchase orders, customer contracts and time records for accuracy; • We checked performance obligations within contracts had been satisfied and re-performed the arithmetical calculations that allocate price to performance obligations satisfied to ensure the accuracy and completeness of revenue recognised and the contract liability in each instance; Based on the procedures performed, we have not identified any material misstatement arising from revenue recognition.
Going concern The going concern assumption is a fundamental and pervasive principle in the preparation of financial statements. The requirement to extend the redemption date on certain loan notes as disclosed in note 22, together with the trading result and cash utilisation in the year give rise to greater inherent risk and raise 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. As such, significant audit time was devoted to testing of the going concern assessment and the going concern assumption is considered to be a key audit matter.	Our audit procedures included the following: • We obtained and 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 for a period in excess of twelve months from the date of approval of these financial statements • We reviewed the sensitivities adopted by management, challenging the feasibility and likelihood of each scenario, including that deemed to be the 'worst case' as set out in note 1.4; • We considered the feasibility and reviewed the mathematical accuracy of the modelled impact of proposed mitigating actions; • 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; • We evaluated management's plans for future actions and assessed that management's assessment included all relevant information, including that concerning the future; • We considered how the impact of the current economic climate has been factored into the forecasts including mitigating actions taken to reduce the impact and the timing of such measures; and • We reviewed the disclosures in the annual report, specifically in note 1.4, to assess that these disclosures are appropriate. Based on our procedures performed, we concluded that there is no materiality uncertainty relating to going concern and that the continued adoption of the going concern basis in these financial statements remains appropriate.

FINANCIAL STATEMENTS:
Independent Auditor's Report continued

Key Audit Matter	How our scope addressed this matter
The recognition and capitalisation of development costs, and review of the carrying value for impairment The group carries out research and development of its internally generated software. At the balance sheet date, the carrying value of capitalised development was £802,803. An impairment charge of £154,689 was also recorded during the year. There is significant judgement as to: • Whether costs meet the recognition criteria of development assets under IAS 38; • The recoverable amount of the software being developed; and • The asset life once complete. The significance of capitalised development costs to the group and the judgements involved regarding the recognition of development assets and impairment assessments have led us to determine that this is a key audit matter.	Our audit procedures included the following: • We considered and challenged management's assessment of how the criteria for capitalisation set out in IAS 38 had been met; and • We tested a sample of amounts capitalised during the period to payroll 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 as disclosed in note 3, critically assessing 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 performed we have not identified any material misstatement arising from the recognition and impairment of development costs.
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 £1,792,684 and is therefore significant to the parent company's balance sheet. This had led us to identify this as a key audit matter.	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 as disclosed in note 3, 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 performed we have not identified any material misstatement arising from the impairment of intercompany receivables.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could reasonably be expected to influence the economic decisions of the users of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceeds 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 accounts of the qualitative nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial.

Based on our professional judgment and taking into account the possible metrics used by investors and other readers of the accounts, we have determined an overall group materiality of £85,000 based on 2.75% of revenue. Materiality of £77,000 was used for the parent company based on 1% of gross assets.

Group performance materiality was set at £77,000 representing 90% of overall materiality. The parent company performance materiality was set at £69,000.

We agreed with the Audit Committee to report all individual audit differences in excess of £4,000 in relation to the group and £4,000 for the parent company, being the level below which misstatements are considered to be clearly trivial. We also agreed to report any other identified misstatements that warranted reporting on qualitative grounds.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the 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 above.

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.

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.

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.

FINANCIAL STATEMENTS:
Independent Auditor's Report continued

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 28, 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 company 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.

In addition, the group is subject to other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to its ability to operate or to avoid a material penalty. These include ISO 27001 regulations and employment law.

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

6 January 2023

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2022

	Notes	**2022** £	2021 £
Revenue	4	**3,126,804**	3,639,111
Cost of sales		**(666,280)**	(635,532)
Gross profit		**2,460,524**	3,003,579
Other operating income	4	**–**	88,316
Administrative expenses		**(3,408,424)**	(4,062,295)
Operating loss	6	**(947,900)**	(970,400)
Adjusted EBITDA	5	**(552,357)**	(256,873)
Depreciation, amortisation, impairment and profit/loss on disposal		**(384,975)**	(551,862)
Share based payment expense		**(10,568)**	(17,181)
Non-underlying items		**–**	(144,484)
Investment revenues	11	**68**	65
Finance costs	12	**(231,288)**	(162,855)
Other gains and losses	13	**73,845**	–
Loss before taxation		**(1,105,275)**	(1,133,190)
Income tax income	14	**234,391**	398,258
Loss for the year		**(870,884)**	(734,932)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Currency translation differences		**(486)**	17,346
Total items that will not be reclassified to profit or loss		**(486)**	17,346
Total other comprehensive income for the year		**(486)**	17,346
Total comprehensive income for the year		**(871,370)**	(717,586)

	Notes	**2022** £	2021 £
Earnings per share	15		
Basic		**(0.03)**	(0.02)
Diluted		**(0.03)**	(0.02)

Profit and total comprehensive income for the financial year is all attributable to the owners of the parent company.

All results are derived from continuing operations.

The notes on pages 47 to 76 form part of these Group financial statements.

Consolidated Statement of Financial Position

As at 30 September 2022

	Notes	2022 £	2021 £
Non-current assets			
Intangible assets	16	**915,696**	1,099,313
Property, plant and equipment	17	**26,413**	67,111
		942,109	1,166,424
Current assets			
Trade and other receivables	19	**781,838**	791,948
Current tax recoverable		**224,000**	275,000
Cash and cash equivalents		**98,987**	575,203
		1,104,825	1,642,151
Total assets		**2,046,934**	2,808,575
Current liabilities			
Trade and other payables	24	**682,840**	952,157
Borrowings	21	**9,707**	71,425
Deferred revenue	26	**1,319,674**	1,030,315
		2,012,221	2,053,897
Net current liabilities		**(907,396)**	(411,746)
Non-current liabilities			
Trade and other payables	24	**254,407**	88,330
Borrowings	21	**32,387**	42,094
Convertible loan notes	22	**1,766,925**	1,782,458
		2,053,719	1,912,882
Total liabilities		**4,065,940**	3,966,779
Net liabilities		**(2,019,006)**	(1,158,204)
Equity			
Called up share capital	29	**2,957,161**	2,957,161
Share premium account	30	**7,256,188**	7,256,188
Foreign exchange reserve	32	**1,390**	1,876
Share option reserve	28	**20,062**	12,989
Equity reserve	31	**231,851**	231,851
Merger reserve	32	**10,653,881**	10,653,881
Retained earnings		**(23,139,539)**	(22,272,150)
Total equity		**(2,019,006)**	(1,158,204)

The financial statements were approved by the board of directors and authorised for issue on 6 January 2023 and are signed on its behalf by:

Mr S P Crowther
Director

The notes on pages 47 to 76 form part of these Group financial statements.

Company Statement of Financial Position
As at 30 September 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Non-current assets					
Investments	37		**1,682,519**		1,671,951
Current assets					
Trade and other receivables	38	**5,437,142**		6,888,516	
Cash and cash equivalents		**545**		426,487	
		5,437,687		7,315,003	
Current liabilities					
Trade and other payables	40	**101,746**		205,883	
Net current assets			**5,335,941**		7,109,120
Total assets less current liabilities			**7,018,460**		8,781,071
Non-current liabilities	39		**2,021,332**		1,870,788
Net assets			**4,997,128**		6,910,283
Equity					
Called up share capital	29		**2,957,161**		2,957,161
Share premium account	30		**7,256,188**		7,256,188
Equity reserve	31		**231,851**		231,851
Share option reserve	28		**20,062**		12,989
Retained earnings			**(5,468,134)**		(3,547,906)
Total equity			**4,997,128**		6,910,283

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £1,923,723 (2021 - £2,872,499).

The financial statements were approved by the board of directors and authorised for issue on 6 January 2023 and are signed on its behalf by:

Mr S P Crowther
Director
Company Registration No. 11321642

The notes on pages 47 to 76 form part of these Group financial statements.

Consolidated Statement of Changes In Equity

For the year ended 30 September 2022

	Notes	Share capital £	Share premium account £	Equity reserve £	Merger reserve £	Foreign exchange reserve £	Share option reserve £	Retained earnings £	**Total £**
Balance at 1 October 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)**
Transactions with owners in their capacity as owners									
Issue of convertible loan	22	–	–	231,851	–	–	–	–	**231,851**
Share option expense in the year	28	–	–	–	–	–	17,181	–	**17,181**
Share options cancelled	28	–	–	–	–	–	(4,192)	4,192	**–**
Total contributions by and distributions to owners of the Company recognised directly in equity		–	–	231,851	–	–	12,989	4,192	**249,032**
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)**
Year ended 30 September 2022:									
Loss for the year		–	–	–	–	–	–	(870,884)	**(870,884)**
Other comprehensive income:									
Exchange differences on foreign operations		–	–	–	–	(486)	–	–	**(486)**
Total comprehensive income for the year		–	–	–	–	(486)	–	(870,884)	**(871,370)**
Transactions with owners in their capacity as owners									
Share option expense in the year	28	–	–	–	–	–	10,568	–	**10,568**
Share options cancelled	28	–	–	–	–	–	(3,495)	3,495	**–**
Total contributions by and distributions to owners of the Company recognised directly in equity		–	–	–	–	–	7,073	3,495	**10,568**
Balance at 30 September 2022		**2,957,161**	**7,256,188**	**231,851**	**10,653,881**	**1,390**	**20,062**	**(23,139,539)**	**(2,019,006)**

The notes on pages 47 to 76 form part of these Group financial statements.

Company Statement of Changes in Equity

For the year ended 30 September 2022

	Notes	Share capital £	Share premium account £	Equity reserve £	Share option reserve £	Retained earnings £	**Total £**
Balance at 1 October 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)**
Transactions with owners in their capacity as owners							
Issue of convertible loan		–	–	231,851	–	–	**231,851**
Share option expense in the year	28	–	–	–	17,181	–	**17,181**
Share options cancelled	28	–	–	–	(4,192)	4,192	**–**
Total contributions by and distributions to owners of the Company recognised directly in equity		–	–	231,851	12,989	4,192	**249,032**
Balance at 30 September 2021		2,957,161	7,256,188	231,851	12,989	(3,547,906)	**6,910,283**
Year ended 30 September 2022:							
Loss and total comprehensive income for the year		–	–	–	–	(1,923,723)	**(1,923,723)**
Transactions with owners in their capacity as owners							
Share option expense in the year	41	–	–	–	10,568	–	**10,568**
Share options cancelled	41	–	–	–	(3,495)	3,495	**–**
Total contributions by and distributions to owners of the Company recognised directly in equity		–	–	–	7,073	3,495	**10,568**
Balance at 30 September 2022		**2,957,161**	**7,256,188**	**231,851**	**20,062**	**(5,468,134)**	**4,997,128**

The notes on pages 47 to 76 form part of these Group financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 September 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Operating activities					
Loss after tax			**(870,884)**		(734,932)
Adjusted for non-cash items:					
Taxation credit	14		**(234,391)**		(398,258)
Amortisation, depreciation, and adjustments on disposal	6		**384,975**		551,862
Share-based payment expense	28		**10,568**		17,181
Finance income	11		**(68)**		(65)
Finance charges	12		**231,288**		162,855
Decrease in provisions			**–**		(80,702)
Other gains	13		**(73,845)**		–
			(552,357)		(482,059)
Decrease in trade and other receivables	19		**10,126**		78,059
Increase/(decrease) in trade and other payables	24		**20,043**		(980,799)
Cash used in operations			**(522,188)**		(1,384,799)
Income tax refunded			**285,391**		423,258
Net cash outflow from operating activities			**(236,797)**		(961,541)
Investing activities					
Purchase of intangible assets - internally generated	16	**(136,234)**		(335,446)	
Purchase of property, plant and equipment	17	**(24,443)**		(1,171)	
Proceeds on disposal of property, plant and equipment		**–**		1,180	
Interest received		**68**		65	
Net cash used in investing activities			**(160,609)**		(335,372)
Financing activities					
Issue of convertible loans	22	**–**		1,937,500	
Repayment of borrowings	21	**(71,425)**		(179,981)	
Proceeds of new bank loans	21	**–**		50,000	
Payment of lease liabilities		**–**		(37,467)	
Interest paid		**(6,899)**		(35,216)	
Net cash (used in)/generated from financing activities			**(78,324)**		1,734,836
Net (decrease)/increase in cash and cash equivalents			**(475,730)**		437,923
Cash and cash equivalents at beginning of year			**575,203**		120,011
Effect of foreign exchange rates			**(486)**		17,269
Cash and cash equivalents at end of year			**98,987**		575,203

The notes on pages 47 to 76 form part of these Group financial statements.

Note to the Consolidated Statement of Cash Flows

For the year ended 30 September 2022

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 2021 £	Financing cash flows £	Convertible element £	Other movements* £	**At 30 September 2022 £**
Bank loans	50,000	(7,906)	–	–	**42,094**
Convertible loan notes	1,782,458	–	–	(15,533)	**1,766,925**
Other loans	63,519	(63,519)	–	–	**–**
	1,895,977	(71,425)	–	(15,533)	**1,809,019**

	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

*Other movements in the year ended 30 September 2022 includes;
(1) Interest charged to the statement of comprehensive income of £224,389;
(2) Accrued interest payable of £166,077 based on the convertible loan coupon rate of 8%; and
(3) Gain on modification of tranche one of the convertible loan note liability, credited to the statement of comprehensive income of £73,845.

*Other movements in the year ended 30 September 2021 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%.

The notes on pages 47 to 76 form part of these Group financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 September 2022

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 as listed in note 18.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom 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. 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.

(f) disclosure of key management personnel compensation

As permitted by S408 Companies Act 2006, the Company had not presented its own Statement of Comprehensive Income. The company's loss for the period was £1,923,723.

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.

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.

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

1 Accounting policies (continued)

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 2022. 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

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements. Information used to make this decision is detailed below.

A scenario testing exercise, in which the Directors prepared detailed cash flow forecasts for the period covered by the going concern forecast, was performed. The forecasts take into account the Directors' views of current and future economic conditions that are expected to prevail over the period including assumptions regarding the sales pipeline, future revenues and costs with various scenarios which reflect growth plans, opportunities, risks and mitigating actions. Alongside managements base case forecast, the Group prepared an extreme downside scenario where, outside of the deals secured in Q1 2023, any growth in MRR across the period would be offset by non-renewals, reducing total billing across recurring and services revenue by £510k. Under this extreme scenario, the Group has given consideration to the potential actions available to management to mitigate the impact of these sensitivities, in particular the discretionary nature of costs incurred by the Group, in order to ensure the continued availability of funds. Financial performance in 2023 is not expected to be materially impacted from current year levels due to the long-range revenue visibility achieved through the recurring revenue business model. These recurring revenues, representing 90% of total revenue, are considered resilient given the majority are on multi-year terms. The forecast also assumed that the Group does not have access to any further external funding. Based on current trading, the stress test scenario is considered very unlikely.

The Group continues to monitor the collection of monies from clients with no material delays in payment being cited. The business benefits from an Annual Licence Fee Model in which software Licence fees are received annually in advance.

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 straight line

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:

Fixtures and fittings	25% straight line
Computers	33% straight line

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

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 the income statement.

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.

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.

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

1 Accounting policies (continued)

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 22).

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 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.

1.16 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.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

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

1.18 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 28.

1.19 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 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.

1.20 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 prior year comprises the Covid-19 job retention scheme grant and is recorded in other operating income.

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

1 Accounting policies (continued)

1.21 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 Group's financial statements:

- Covid-19 related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

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
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) and Deferral of Effective Date Amendment	1 January 2024 *
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023 *
Definition of Accounting Estimates (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 *
IFRS 17 Insurance Contracts	1 January 2023 *
Amendments to IFRS 17	1 January 2022
Initial Application of IFRS 17 and IFRS 9 – Comparative information	1 January 2022
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as First-time Adopter	1 January 2022
Amendment to IFRS 9 Financial Instruments—Fees in the '10 percent' Test for Derecognition of Financial Liabilities.	1 January 2022
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS37)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022

* 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 material impact on the Group's financial statements.

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. Management have made assumptions concerning future trading performance and EBITDA, the anticipated period of recovery and the appropriate level of discount rate to be applied. A provision for impairment of £1,724,886 (2021 - £2,895,000) 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.

Impairment

During the year, the directors considered the recoverability of the capitalised development costs, which are included in its balance sheet at £915,696 (2021 - £1,099,313) after impairment. For individual assets net yet available for use or where indicators of impairment existed, the directors carried out a detailed net present value assessment of the future expected revenue and net profit stream over a five year period. The discount rate used in calculating the recoverable amount of each project using present value techniques was 11%. Following the assessment two projects were held at higher than their recoverable amount and hence an impairment of £154,689 (2021 - £293,878) has been recognised. The directors came to this conclusion as a consequence of the pace of change inherent in technology businesses which has been enhanced since the onset of the pandemic, shifting focus away from these projects. The recoverable amounts in both cases are calculated as the value in use.

Critical judgments

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.

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

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 in six 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.

	2022 £	2021 £
Revenue analysed by class of business		
Licence	**2,856,720**	3,333,407
Services	**270,084**	305,704
	3,126,804	3,639,111

	2022 £	2021 £
Revenue analysed by geographical market		
United Kingdom	**716,295**	853,663
USA	**882,707**	1,211,192
Switzerland	**639,380**	629,921
Germany	**538,561**	329,959
Rest of Europe	**190,976**	476,513
Rest of the World	**158,885**	137,863
	3,126,804	3,639,111

	2022 £	2021 £
Other income		
Grants received	**–**	88,316

During the year there were two key customers (2021 - two key customers) that accounted for over 10% of revenue each. Revenue for each of these customers is £639,380 and £324,936 respectively (2021 - £629,921 and £451,702 respectively).

All revenue 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 £1,030,315 (2021 - £1,723,661), see note 26. The total amount of revenue deferred and recognised as a contract liability at the year end is £1,319,674 (2021 - £1,030,315) as shown in note 26.

Invoices for licence revenue are issued annually in advance and recognised as deferred revenue 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 revenue and increase in debtors where the performance obligation has been 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.

The transaction price is determined by the contractual value agreed with the client. It is deemed that all professional services, including those in respect of deployment, represent a distinct performance obligation from the software licence.

Grants of £nil (2021 - £88,316) 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

	2022 £	2021 £
Operating loss	**(947,900)**	(970,400)
Add back:		
Depreciation, amortisation, impairment and profit/loss on disposal	**384,975**	551,862
Share based payment expense	**10,568**	17,181
Non-underlying items	**–**	144,484
Adjusted EBITDA	**(552,357)**	(256,873)

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 Group Statement of Comprehensive Income. This adjusted element also removes non-underlying items which, in the prior year, comprise Covid-19 related redundancy costs and professional and consultancy fees relating to the raising of finance during the year. There were no such costs in the current year.

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

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	**15,697**	93,995
Research and development costs	**676,504**	523,653
Government grants	**–**	(88,316)
Fees payable to the Company's auditors for the audit of the Parent Company, consolidated financial statements and audit of the Company's subsidiaries	**54,550**	49,550
Depreciation of property, plant and equipment	**43,239**	141,827
Loss on disposal of property, plant and equipment	**21,885**	37,094
Amortisation of intangible assets	**165,162**	79,063
Impairment of intangible assets	**154,689**	293,878
Share-based payments	**10,568**	17,181

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

7 Impairments

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

	2022 £	2021 £
In respect of:		
Intangible assets	**154,689**	293,878
Recognised in:		
Administrative costs	**154,689**	293,878

8 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company's subsidiaries	**54,550**	49,550

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:

	2022 Number	2021 Number
Senior management and directors	**9**	12
Development global services and other	**21**	27
Total	**30**	39

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	**1,942,085**	2,504,068
Social security costs	**251,229**	286,670
Pension costs	**104,623**	84,550
	2,297,937	2,875,288

Included within wages and salaries is £10,568 (2021 - £17,181) relating to equity settled share based payment expense, as explained further in note 28.

Included in the above is aggregate remuneration relating to capitalised development costs (note 16) amounting to £136,234 (2021 - £335,446).

10 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	**391,281**	403,933
Company pension contributions to defined contribution schemes	**28,828**	16,482
	420,109	420,415

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 3).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 2 (2021 - 2).

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

	2022	2021
	£	£
Remuneration for qualifying services	**182,846**	177,155
Company pension contributions to defined contribution schemes	**15,674**	8,483

During the year to 30 September 2022 the Directors received remuneration as follows:

Director	**Salary £**	**Benefits in kind £**	**Pension £**	**Total £**
Mr S Crowther	180,140	–	15,674	195,814
Ms A Levett (resigned 1 August 2022)	106,813	–	9,734	116,547
Mr R Cunningham	48,000	–	1,253	49,253
Mr D Firth	30,000	–	–	30,000
Mr D Whibley (appointed 1 August 2022)	21,671	–	2,167	23,838
Total	**386,624**	**–**	**28,828**	**415,452**

No share options were exercised in the year.

In addition to the above remuneration, the ascribed fair value of the share options, granted to the directors during the prior year, is shown in the following table as a component of directors' remuneration in line with the requirements of IFRS 2. These options are presently out of the money and the associated growth based vesting conditions have not been met. However, the remuneration committee have decided a percentage will vest, even though certain performance conditions were not met, in recognition of the directors' performance throughout the period, see page 29 for details.

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

10 Directors' remuneration (continued)

Director	**Fair value of share options £**	**Total remuneration £**
Mr S Crowther	2,706	198,520
Ms A Levett (resigned 1 August 2022)	1,951	118,498
Mr R Cunningham	–	49,253
Mr D Firth	–	30,000
Mr D Whibley (appointed 1 August 2022)	–	23,838
Total	**4,657**	**420,109**

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

Director	Salary £	Benefits in kind £	Pension £	Total £
Mr S Crowther	172,550	–	8,483	181,033
Ms A Levett	137,025	–	6,851	143,876
Mr R Cunningham	48,000	–	1,148	49,148
Mr D Firth (appointment 18 February 2021)	18,308	–	–	18,308
Mr N Halkes (resigned 31 March 2021)	20,125	–	–	20,125
Total	396,008	–	16,482	412,490

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 in the below table for the year ended 30 September 2021. These options were out of the money as at 30 September 2021 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 £	Total remuneration £
Mr S Crowther	4,605	185,638
Ms A Levett	3,320	147,196
Mr R Cunningham	–	49,148
Mr D Firth (appointment 18 February 2021)	–	18,308
Mr N Halkes (resigned 31 March 2021)	–	20,125
Total	7,925	420,415

11 Investment income

	2022 £	2021 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	**68**	65

12 Finance costs

	2022 £	2021 £
Interest on lease liabilities	**–**	6,887
Other interest payable	**6,899**	28,329
Interest on convertible loan notes	**224,389**	127,639
Total interest expense	**231,288**	162,855

13 Other gains and losses

	2022 £	2021 £
Other gains	**73,845**	–

On 30 September 2022, the redemption date of the first tranche of convertible loan notes was extended by a further year (note 22). At this date, the existing liability has been re-calculated as the present value of the revised future cash flows discounted at the original effective interest rate and a gain of £73,845 has been recognised.

14 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	**(224,000)**	(275,000)
Adjustments in respect of prior periods	**(10,391)**	(122,815)
Total UK current tax	**(234,391)**	(397,815)
Foreign taxes and reliefs	**–**	(443)
	(234,391)	(398,258)

Notes to the Consolidated Financial Statements continued
For the year ended 30 September 2022

14 Taxation (continued)
The credit for the year can be reconciled to the loss per the income statement as follows:

	2022 £	2021 £
Loss before taxation	**(1,105,275)**	(1,133,190)
Expected tax credit based on a corporation tax rate of 19% (2021: 19%)	**(210,002)**	(215,306)
Effect of expenses not deductible in determining taxable profit	**11,079**	6,277
Income not taxable	**(14,031)**	–
Deferred tax not recognised on unutilised tax losses carried forward	**203,705**	129,903
Adjustment in respect of prior years	**(10,391)**	(122,815)
Enhanced relief on research and development tax credit	**(224,000)**	(206,382)
Other	**9,249**	10,065
Taxation credit for the year	**(234,391)**	(398,258)

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% (2022 - 19%), being the substantively enacted rate at the balance sheet date.

15 Earnings per share

	2022	2021
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

	2022 £	2021 £
Earnings (all attributable to equity shareholders of the company)		
Loss for the period	**(870,884)**	(734,932)
Basic earnings per share		
From continuing operations	**(0.03)**	(0.02)
Diluted earnings per share		
From continuing operations	**(0.03)**	(0.02)

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 28) and convertible redeemable loan stock (note 22) that could dilute the earnings per share should the Group become profitable. As at 30 September 2022 both the share options and the convertible loan stock are out of the money.

16 Intangible assets

	Development costs £
Cost	
At 1 October 2020	1,246,819
Additions - internally generated	335,446
At 30 September 2021	1,582,265
Additions - internally generated	136,234
At 30 September 2022	**1,718,499**
Amortisation and impairment	
At 1 October 2020	110,011
Charge for the year	79,063
Impairment loss	293,878
At 30 September 2021	482,952
Charge for the year	165,162
Impairment loss	154,689
At 30 September 2022	**802,803**
Carrying amount	
At 30 September 2022	**915,696**
At 30 September 2021	1,099,313
At 30 September 2020	1,136,808

The useful economic life of each of the individual assets is deemed to be 5 years. The additions in the year of £136,234 relate to specific products being developed. These products are deemed to provide future economic benefits to the Group.

The impairment of £154,689 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 Consolidated Financial Statements continued

For the year ended 30 September 2022

17 Property, plant and equipment

	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 October 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
Additions	–	648	23,795	24,443
Disposals	–	(54,044)	(235,194)	(289,238)
At 30 September 2022	**–**	**10,775**	**79,619**	**90,394**
Accumulated depreciation and impairment				
At 1 October 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
Charge for the year	–	8,300	34,939	43,239
Eliminated on disposal	–	(32,159)	(235,177)	(267,336)
At 30 September 2022	–	7,461	56,520	63,981
Carrying amount				
At 30 September 2022	**–**	**3,314**	**23,099**	**26,413**
At 30 September 2021	–	32,851	34,260	67,111
At 30 September 2020	67,907	58,607	119,449	245,963

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

Right-of-use assets	**2022 £**	2021 £
Cost of disposals		
Property	**–**	(120,552)
Depreciation charge for the year		
Property	**–**	40,184

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 the lease liability, in the prior year.

18 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 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)	Dormant	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.

19 Trade and other receivables

	2022	2021
	£	£
Trade receivables	**608,560**	557,220
Provision for bad and doubtful debts	**(4,390)**	–
	604,170	557,220
VAT recoverable	**50,440**	35,486
Other receivables	**2,390**	40,528
Prepayments	**124,838**	158,714
	781,838	791,948

20 Trade receivables - credit risk

Ageing of past due but not impaired receivables

	2022	2021
	£	£
30 days or less	**538,320**	529,510
Between 31 and 60 days	**18,362**	8,286
Between 61 and 90 days	**–**	6,037
Over 90 days	**51,878**	13,387
	608,560	557,220

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

20 Trade receivables - credit risk (continued)

All opening and closing trade receivables balances arise from contracts with customer. All other receivables outside of general terms of business are immaterial to the Group and are within the parent 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 2022 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	538,320	18,362	–	51,878	608,560
Expected credit loss	538	46	–	389	973

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.

The Group has however recognised a specific provision as follows:

Movement in the allowances for doubtful debts

	2022	2021
	£	£
Balance at 1 October	–	–
Additional allowance recognised	4,390	–
Balance at 30 September	4,390	–

21 Borrowings

	Current		Non-current	
	2022	2021	2022	2021
	£	£	£	£
Borrowings held at amortised cost:				
Bank loans	9,707	7,906	32,387	42,094
Other loans	–	63,519	–	–
	9,707	71,425	32,387	42,094

The Group had the following borrowings at 30 September 2022:

- 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 £42,094 in the financial statements. This loan is unsecured.
- Venture debt, within other loans in the prior year, 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 the Group. The venture debt has been repaid in full during the current year.

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

22 Convertible loan notes

The convertible loan notes consist of two tranches issued during the prior year. The first tranche was issued on 4 November 2020 with total proceeds of £1,325,000 and the second tranche was issued on 29 September 2021 with total proceeds of £650,000.

When issued, both tranches had 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, or, convert all or part of their holding of loan notes into fully paid Ordinary Shares at the conversion rate; and/or redeem all or part of their holding of loan notes.

At the issue date the net proceeds received were split between the financial liability element of £1,743,149 and an equity component of £231,851, representing the fair value of the embedded option to convert the financial liability into equity. The equity component of the convertible loan notes has been credited to the equity reserve (note 31).

On 30 September 2022, the redemption date of the first tranche was extended by a further year, to give a revised redemption date of four years following the original date of issue, being November 2024. This modification was not considered to be substantial, as defined in IFRS 9, therefore the existing liability was re-calculated as the present value of the revised future cash flows discounted at the original effective interest rate. A gain of £73,845 on the modification of the liability has been recognised in other gains and losses (note 13).

The extension to the redemption date is a modification only of the existing convertible loan notes and therefore has no impact on the equity element.

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 £**
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
Interest charged	224,389
Interest accrued	(166,077)
Gain on modification	(73,845)
Liability component at 30 September 2022	**1,766,925**
Liability component due within 12 months	–
Liability component due after 12 months	1,766,925

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

23 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	224,217	338,752	562,969
Cash and cash equivalents	733	–	733
Trade and other payables	(53,086)	(2,632)	(55,718)
As at 30 September 2022	**171,864**	**336,120**	**507,984**

	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

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 2022, the Group would have recognised an increase in its reported profits and net assets of approximately £50,798 (2021 - £41,481). If Sterling had appreciated by 10% against US Dollars and Euros as at 30 September 2022, the Group would have recognised an equivalent decrease in its reported profits and net assets across both periods.

Interest rate risk

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

	2022	2021
	£	£
Venture debt	**–**	63,519

The venture debt has been repaid in full during the year. The weighted average cost of fixed rate borrowing for venture debt in the prior year was 11.5%.

The convertible loan notes (note 22) carry a coupon rate of 8% and are recognised at their net present value using a discount rate of 12%. The 8% interest is fixed for the life of the loan and therefore does not convey interest rate risk for the Group.

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, being a Bounce Back Loan Scheme loan and the liability element of the convertible loan notes, is shown below:

	2022	2021
	£	£
Less than one year	**9,707**	19,522
One to two years	**9,950**	21,297
Two to five years	**1,789,362**	5,373,099
	1,809,019	5,413,918

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.

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

Further disclosures for credit risk are shown in note 20.

23 Financial risk management (continued)

The carrying amount of financial instruments is shown below:

	2022 £	2021 £
Financial assets held at amortised cost	606,560	597,748
Financial liabilities held at amortised cost	(2,576,928)	(2,609,435)
	(1,970,368)	(2,011,687)

24 Trade and other payables

	Current		Non-current	
	2022 £	2021 £	2022 £	2021 £
Trade payables	255,570	300,797	–	–
Accruals	186,504	235,631	254,407	88,330
Social security and other taxation	169,495	274,989	–	–
Other payables	71,271	140,740	–	–
	682,840	952,157	254,407	88,330

25 Deferred taxation

	2022 £	2021 £
Deferred tax liabilities	231,700	407,176
Deferred tax assets	(231,700)	(407,176)
	–	–

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 2020	258,152	(349,705)	(6,905)	98,458	–
Deferred tax movements in prior 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 1 October 2021	287,000	(400,976)	(6,200)	120,176	–
Deferred tax movements in current year					
Charge/(credit) to profit or loss	(284,300)	178,676	(3,200)	108,824	–

Deferred tax liability/(asset) at 30 September 2022	2,700	(222,300)	(9,400)	229,000	–

The Group has estimated tax losses of £10,700,000 (2021 - £10,000,000) of which approximately £9,800,000 (2021 - £8,900,000) 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 £2,400,000 (2021 - £2,200,000).

26 Deferred revenue

	2022 £	2021 £
Arising from contracts with customers	**1,319,674**	1,030,315

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

27 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	**75,150**	61,669
Capitalised as intangible asset	**29,473**	22,881
	104,623	84,550

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 £38,113 (2021 - £25,559).

28 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2022	2021	2022 £	2021 £
Outstanding at 1 October	**2,390,060**	–	**0.10**	–
Granted in the period	**–**	2,668,738	**–**	0.10
Forfeited in the period	**(99,820)**	(278,678)	**0.10**	0.10
Lapsed in the period	**(1,588,444)**	–	**0.10**	–
Outstanding at 30 September	**701,796**	2,390,060	**0.10**	0.10
Exercisable at 30 September	**701,796**	1,334,369	**0.10**	0.10

The options outstanding at 30 September 2022 had an exercise price of £0.10 and have reached the end of their remaining contractual life by the year end. 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.

The options were granted, during the prior year, 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.

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

28 Share-based payment transactions (continued)

Inputs were as follows:

	2021
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	–

	2022 **£**	2021 £
Expenses		
Related to equity settled share based payments	**10,568**	17,181

During the year a transfer of £3,495 (2021 - £4,192) was made from the share option reserve to retained earnings in relation to share options cancelled.

29 Share capital

Ordinary share capital	**2022** **Number**	2021 Number	**2022** **£**	2021 £
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.

30 Share premium account

	2022 **£**	2021 £
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.

31 Equity reserve

	2022 **£**	2021 £
At the beginning of the year	**231,851**	–
Arising in the year	**–**	231,851
At the end of the year	**231,851**	231,851

During the prior 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 22.

32 Other reserves

	2022 £	2021 £
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.

	2022 £	2021 £
Foreign exchange reserve	**1,390**	1,876

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

The retained earnings reserve represents all current and prior period retained profits and losses.

33 Events after the reporting date

On 3 October 2022 and 11 November 2022 the Company granted share options to a number of its key employees and directors. This gave rights over 2,420,939 Ordinary shares. The vesting period of the options ranges between 11 months and 2 years. At grant date the options are significantly out of the money, and as such the total fair value of share options issued is £4,458, with these values having been determined using a Black-Scholes valuation.

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.

	2022 £	2021 £
Salary and short-term employee benefits	**897,333**	887,767
Post-employment benefits	**54,317**	34,015
Share-based payments	**7,242**	12,672
	958,892	934,454

Other information

During the year directors provided unsecured short term loans to the Group amounting to £nil (2021 - £35,000). These were fully repaid at the balance sheet date. Interest was charged at a rate of 0%.

No guarantees have been given or received.

Mr R Cunningham, a director of the company, subscribed for convertible loan notes from the company and proceeds of £nil (2021 - £287,500) were received and shown within note 22.

The interest charge attributable to these loan notes amounted to £31,879 (2021 - £22,838) and is payable on redemption. The cumulative value of unpaid interest included within creditors amounted to £54,716 (2021 - £22,838).

35 Controlling party

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

Notes to the Consolidated Financial Statements continued

For the year ended 30 September 2022

36 Impairments

Company

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

	2022 £	2021 £
In respect of:		
Intercompany receivable	**1,724,886**	2,895,000
Recognised in:		
Exceptional items	**1,724,886**	2,895,000

37 Investments

	Current		Non-current	
	2022	2021	**2022**	2021
Company	**£**	£	**£**	£
Investments in subsidiaries	**–**	–	**1,654,770**	1,654,770
Capital contribution	**–**	–	**27,749**	17,181
	–	–	**1,682,519**	1,671,951

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 18.

Movements in non-current investments

	Shares in subsidiaries £	Capital contribution £	Total £
Cost or valuation			
At 1 October 2021	1,654,770	17,181	1,671,951
Additions regarding share based payment	–	10,568	10,568
At 30 September 2022	**1,654,770**	**27,749**	**1,682,519**
Carrying amount			
At 30 September 2022	**1,654,770**	**27,749**	**1,682,519**
At 30 September 2021	1,654,770	17,181	1,671,951

38 Trade and other receivables

Company	2022 £	2021 £
Amounts owed by subsidiary undertakings	**5,377,765**	6,774,358
Other receivables	**–**	37,501
Prepayments	**59,377**	76,657
	5,437,142	6,888,516

Amounts owed by subsidiary undertakings are non-interest bearing, unsecured and repayable on demand. This balance is stated after a provision for bad and doubtful debts amounting to 4,565,859 (2021 - £2,773,175).

39 Convertible loan notes

Company

The company information for convertible loan notes is the same as the group information and is shown in note 22.

	2022 £	2021 £
Carrying value of convertible loan note	**1,766,925**	1,782,458
Accrued interest on convertible loan note	**254,407**	88,330
	2,021,332	1,870,788

40 Trade and other payables

	Current		Non-current	
Company	2022 £	2021 £	2022 £	2021 £
Trade payables	**84,419**	170,623	**–**	–
Accruals	**10,644**	30,600	**254,407**	88,330
Social security and other taxation	**6,196**	3,738	**–**	–
Other payables	**487**	922	**–**	–
	101,746	205,883	**254,407**	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 28.

Company Information

Directors	Mr D D Whibley (Appointed 1 August 2022) Mr S P Crowther Mr R H Cunningham Mr D S P Firth
Secretary	Mr D D Whibley
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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