i-nexus
Strategy Execution Software

i-nexus Global plc

Strategy Execution Software

Annual Report and Accounts 2020

Setting the standard for Strategy Execution

Welcome to our 2020 Annual Report

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

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Contents

2020 Highlights:

Restructured go-to-market organisation

- Revised the go-to-market strategy
- Made key personnel changes
- Early positive results from changes made prior to start of Covid-19 pandemic

Protected the business through Covid-19

- Continued expansion within existing customer accounts, adding £40k of MRR (FY19: £35k)
- Secured a new customer during lock-down, a US based global food corporation
- However, new business generation severely impacted by the Covid-19 pandemic
- Significant cost reduction measures implemented through the year, reducing the monthly cost base by £400k by the year end to ~£370k

Major release of a new generation enterprise Strategy Execution platform

- Launch of a major platform upgrade in September following extensive customer testing, i-nexus Summer 2020, including enhanced analytics, reporting and a mobile application
- 95% of customers have transitioned onto the new platform, providing a pathway for future growth

Shareholder support provides strengthened financial position

- Cash at year end of £0.12m, supplemented post year end by a fundraise of £1.235m, net of expenses
- Financial position of the business secure for the near-term

STRATEGIC REPORT:
Company Overview

The i-nexus platform enables organisations to excel in Strategy Execution, empowering them to execute their strategies successfully, drive business transformation and deliver continuous performance improvement.

Our Vision

To make world-class Strategy Execution accessible to all organisations by delivering a technology platform that removes complexity, accelerates delivery, provides leaders with visibility and puts them in control of delivering their strategic goals.

Our vision is built on three key principles:

- Taking ownership: our industry reputation, expertise and leading technology keep us at the forefront of innovation in the Strategy Execution Management (SEM) and Strategic Portfolio Management (SPM) markets.
- Guiding the journey: our solutions provide customers of all sizes with the support they need to achieve their strategic, transformational and operational goals.
- Enabling transformation: our rigorous, systematic approach helps customers convert high-level strategies into actionable goals and deliver real-world business change.

The problem we solve

When business leaders set out a new strategy, they expect the rest of the organisation to follow—yet most businesses find putting strategy into practice a significant challenge. If there's a disconnect between the decisions made in the boardroom and the day-to-day work of employees, strategic initiatives can easily be derailed.

If organisations fail to focus on Strategy Execution, things can start going wrong quickly. Failure to set and communicate clear goals means that people pursue the wrong objectives. Failure to gain buy-in prevents initiatives from achieving the expected results. Failure to track performance, alignment and results make it impossible to tell whether an initiative is working or not or potentially identify the root cause of a significant problem in the business operation.

How we solve it

As a leader in today's Strategy Execution market, we provide a technology platform that helps organisations drive, monitor and control the day-to-day execution of strategy.

Our platform provides a rigorous, standardised approach to managing strategic initiatives, cascading goals down through the organisation and measuring progress against the strategic plan. This approach empowers our customers to answer the key questions:

- How are we performing?
- Are our plans on track?
- Will we achieve our strategic goals?

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

As a thought leader, our mission is to grow and educate the emerging market for Strategy Execution solutions. We are working towards a future where all organisations will recognize that digitalising their approach to Strategy Execution is the best way to control the outcome. Strategy Execution software is critical to their success. i-nexus leads that future.

How the platform works

Our platform fundamentally transforms the way organisations define, communicate, manage and monitor the execution of their strategies.

Instead of taking a manual approach of managing Strategy Execution with a mixture of documents, spreadsheets, project management tools and business analytics solutions, we provide a central, secure, cloud-based environment that acts as a single source of truth for all strategic, transformational and operational activities, and enables seamless end-to-end management.

Building on proven continuous improvement and transformation methodologies, our platform helps our customers to:

- Set, cascade and negotiate strategic goals throughout their organisation
- Manage, coordinate and track strategic programmes and projects
- Measure results and adjust initiatives in real time to drive improved performance

By enabling a relentless focus on Strategy Execution, supported by real-time visibility, full accountability and a closed loop for feedback and improvement, our platform connects stakeholders from the boardroom to the rest of the organisation, helping to create a single team that works cohesively towards clear, shared goals.

STRATEGIC REPORT:
Chairman's Statement

"The practical challenges posed by the impact of the Covid-19 pandemic and the subsequent economic turmoil that unfolded asked many questions of the i-nexus business, its management team and the Board and I must express my gratitude and admiration for those employees, customers and shareholders who have continued to back the business during these tumultuous times."

Without doubt 2019/20 has been an unprecedented year for everyone. No one predicted that by March 2020 the entire country would be locked down, businesses where possible all working from home and economies throughout the world experiencing the most turbulent environment since the second world war. The practical challenges posed by the impact of the Covid-19 pandemic and the subsequent economic turmoil that unfolded asked many questions of the i-nexus business, its management team and the Board and I must express my gratitude and admiration for those employees, customers and shareholders who have continued to back the business during these tumultuous times.

We started the year acknowledging that our previous attempt to build a first class sales machine had failed and that we would regroup and focus on ensuring we had a leading product for our customers, while preserving our cash resources to ensure that we would not require additional capital until such time as we could demonstrate repeatable commercial success. We reduced our costs but maintained our product development momentum and retained sufficient commercial capacity to achieve our more modest ambitions.

The arrival of Covid-19 and the lockdown in March 2020 had a severe impact on our business. Following a fantastic effort from many in the business we moved quickly to a fully distributed, work-from-home model. As many of our existing and prospective customers did the same, our pipeline of prospects ground to a halt and many customer finance departments found it increasingly difficult to process payments. We experienced a significant cash squeeze. The UK Government's furlough scheme allowed us to reduce our costs by some 40% and HMRC provided additional short-term cash support. Unfortunately, we found ourselves ineligible for the broader Government support packages for public or private companies. The Board, as identified in previous Company announcements, sought alternative funding options, but we reached the end of the financial year having failed to secure new investment.

Despite the challenges the business faced, we managed to win a new US customer, bring to market a considerably enhanced release of our platform, and demonstrate the ability to implement our new product, Workbench, remotely. However, we still faced an ongoing working capital challenge, exacerbated by the late payment of invoices. Having exhausted discussions with potential new and existing investors, it was decided in October to raise in excess of £1m in the form of a Convertible Note, issued to Herald Investment Management Ltd, the Company's long-standing core investor, myself and a number of other long-standing investors, raising £1.235m in total, net of expenses. The note was issued with a conversion price approximately twice the share price at the time, underlining the confidence which investors have in the business. We expect to continue to generate

STRATEGIC REPORT:
Chairman's Statement continued

modest monthly losses in the short term, but the purpose of the funds raised is primarily to help manage working capital, not to fund ongoing losses.

Without extraordinary efforts and sacrifices from all our staff, the business would have faced a very uncertain future. Sadly, we have seen a number of valued colleagues leave the business and I wish them well in their future endeavours. At the beginning of lock-down, all staff agreed to take a 15% cut in remuneration for 6 months. It is vital that we retain and appropriately remunerate our remaining talent. As such the recent funding has allowed us to return staff pay to its correct level and to agree option grants, which will vest on the achievement of performance targets, ensuring staff and shareholders are aligned in sharing in the future success of the business. I would like to thank all our remaining staff for all that they have done over the last 12 months, as well as those investors who supported the recent fundraising.

Nigel Halkes has informed the Board of his intention not to seek re-election as a Director at the forthcoming AGM. Accordingly we have appointed on February 18th David Firth as our new independent non Executive Director. David comes with a wealth of senior Executive and non Executive experience. He is a qualified Chartered accountant and he will take up the position of Chair of Audit Committee after Nigel resigns in March. I would like to express my gratitude for Nigel's valuable contribution over the last 3 years.

We end the year with a radically updated product, new customers, a reduced but workable cost base and funding to secure the business in the near term. While there will still be challenges ahead, we can now face 2021 with determination and cautious optimism.

Richard Cunningham
Chairman

19 February 2021

STRATEGIC REPORT:
CEO's Statement

"Our strategic focus for 2021 is to achieve repeatable, incremental sales, while operating within our financial means. All departments are focussed on projects to deliver this goal.

The investments we have made in our Strategy Execution platform have considerably enhanced the usability of our platform, its stickiness, our ability to convert new business and generate upsells with our existing accounts. We believe our platform is capable of meeting the stringent requirements of the world's largest organisations and, while conscious of the continuing challenges ahead, we have entered the new year in a strengthened financial position and with cautious optimism."

As outlined by the Chairman, this was a challenging year, in which much has been asked of our teams and, while revenue has declined, much has been done to improve our product and our operations. In the face of the escalation of financial pressure on the business caused by Covid-19, we reduced our cost base, conserving our cash resources, and post period end secured £1.235m (net of expenses) in additional funding by way of a Convertible Note, securing the near-term financial future of the business. We are grateful for the support of our investors, our teams and our customers, and while conscious of the challenges that still lie ahead, are passionate about delivering on our growth strategy in the coming year.

Covid-19

We were swift to respond to the pressures of Covid-19, moving to a remote working basis ahead of UK lockdown, reducing our headcount and stabilising our core teams.

However, new business discussions simply fell away, as the blue-chip enterprises with whom we were engaged themselves adjusted to the new environment. While we have seen some organisations seek to accelerate their adoption of digital strategy execution solutions, many put those plans on hold; cash conservation took precedence over investing in new technology for many prospects. Within our existing customer base we have limited exposure to the worst impacted sectors, such as aerospace and automotive and while we anticipate some shrinkage to our renewal base, we believe it to be largely stable.

Despite the challenges Covid-19 threw at us, we managed to win a major new US customer during lockdown and a major European one since year end, via our partner channel. These customers were won despite not having ever met the customers face to face. More positively, we are having a growing number of positive discussions with businesses for whom the pandemic demonstrated their lack of visibility on their strategy execution, highlighting the risk this posed to their businesses and this has allowed us to rebuild our sales pipeline. The issue now is consistently being able to close new deals on a timely basis.

Business structure

The business now comprises a workforce of 37 people in four core teams: Go to Market, (Sales & Marketing), Product (Development, Product & Cloud Ops), Success, (all the customer facing & delivery teams) and Business Support (Finance, HR & Admin). Each team has clearly laid out performance metrics and KPIs, to be delivered against quarterly.

Innovation

Launch of i-nexus Summer 2020

One of the notable successes of the year was the launch of i-nexus Summer 2020, the significant upgrade to our existing cloud-based Strategy Execution Management platform. This was the culmination of a two year program of activity incorporating our internal expertise, client base, user experience experts and other specialist consultancies. The suite incorporates several new offerings

STRATEGIC REPORT:
CEO's Statement continued

and now encompasses i-nexus Workbench, Pulse, Advisor and i-nexus Data Warehouse ("IDW"). The software will enable customers to execute and sustain greater process improvements, and track and optimise their project mix. Importantly, the inclusion of remote working solutions will enable customers to log on and see all of the projects and programs in one place, linked to their key measurements. Customers can remain fully informed and ready to act immediately, on a remote basis.

Hosted on Amazon Web Services, the platform is an enterprise-ready Strategy Execution Management solution, scalable to thousands of users, and meeting the stringent demands of corporate IT organisations.

By the date of this report, 95% of customers are live on the new platform, providing a streamlined ability to execute on our Land & Expand strategy, facilitating easier roll-out of the service across multiple divisions and subsidiaries.

i-nexus Data Warehouse

The platform processes significant strategic and operational customer data. FY20 saw the release of IDW, a new service giving customers direct access to their data ready for analysis. Our investment in data will make it easier for customers to analyse and visualise their data through new dashboards, views and reports within our Workbench and Advisor products. IDW will be further enhanced in FY21 and, together with our broader data roadmap, will unlock new customer insight into strategic planning and strategy execution performance.

Partners

We continue to develop relationships with potential channel partners, to extend our market reach. Our consulting partners have also been badly affected by Covid-19, seeing their own pipelines slow down and facing substantial uncertainty. They also recognise that innovation and new approaches will be key to emerging from the lockdown successfully and we are working with them on various initiatives accordingly. In one encouraging development, subsequent to the year end, we signed our first new customer through a consulting partner introduction, a European based white goods manufacturer.

People

It is hard to put into words how grateful we are for the fortitude and commitment shown by our team. Not only have they had to deal with the emotional and practical impacts of colleagues departing the business, but this has been done against the personal challenges Covid-19 has brought to all of us. And yet throughout this period, service levels to our customers never dropped, our pace of innovation remained high and sales opportunities were sought with continued vigour. I, and the Board, are immensely grateful and we were pleased to be able to return all staff to full pay as a result of the fundraise.

Market opportunity

While Covid-19 is likely to continue to have a negative impact on corporate decision-making for some time to come, we are confident the long-term opportunity has not diminished. We continue to believe that the market opportunity for enterprise level Strategy Execution software is significant, and for the growing area of Hoshin Kanri based tools in particular. The breadth of our platform and its proven ability to run complex strategy programmes at depth and scale, across thousands of employees in multiple geographies, puts us in a strong position to benefit from this evolving market once the initial impacts of Covid-19 have reduced. The cloud and mobile abilities of our products mean they can be used remotely and our platform has increased relevance at a time when organisations are having to make significant strategy adjustments, to course correct for the impacts of Covid-19 on their businesses.

Current Trading and Outlook

We exited the year with a monthly cost base more than 50% lower than at the start, at approximately £370k, against a Monthly Recurring Revenue exit rate of £305k. Our sales pipeline continues to develop with solid new opportunities being created monthly, however conversion on a timely basis is an ongoing challenge with Covid-19 still a factor. We have seen some initial success in recent months; closing a deal via a channel partner and a major contract extension with an existing customer. Our strategic focus for 2021 is to achieve repeatable, incremental sales and operate within our financial means. All departments are focussed on projects to deliver this goal.

Simon Crowther
Chief Executive Officer

19 February 2021

STRATEGIC REPORT:
Chief Financial Officer's Report

"As reported above the Group successfully secured funding after the Balance Sheet date in the form of Fixed Rate Unsecured Convertible Redeemable Loan Notes to the value of £1.235m net of expenses. These funds provide much needed additional working capital to facilitate the continued implementation of the Company's growth plan and will be applied entirely towards meeting the Company's ongoing working capital requirements."

Reported revenue

Revenue reduced to £4.1m (FY19: £4.8m) as the Covid-19 pandemic and other internal factors adversely affected our rate of new deal conversion and services change order billing. The Group signed two new customers (FY19: eight), both under recurring contracts of more than one year in length, paid in advance. Upsells and cross sells in our existing accounts showed an improvement on last year, adding £40k Monthly Recurring Revenue in the year (FY19: £35k). This growth was, however, offset by some high customer churn, some of which was a direct result of Covid 19, and we exited FY20 with closing MRR of £305k (FY19 exit MRR: £340k).

Revenue from recurring contracted software subscriptions was £3.74m (FY19: £4.03m) and from associated professional services was £0.34m (FY19: £0.73m). We had a strong end to the year with respect to services billing, but this could not be converted into recognised revenue until after the year end.

Gross Margin

Gross margin in the year was £2.99m, or 73% (FY19: £3.55m, or 74%) after accounting for commission payable to the Group's business partners. Reported gross margin is the combined gross margin over both recurring software subscriptions and professional services.

Overheads

Overheads (defined as the aggregate of staff costs and other operating expenses, but excluding those costs included in cost of sales, depreciation of tangible assets and amortisation of intangible assets, and share based payment charges) reduced in the year from £7.82m to £5.31m. This reduction was the result of a program of rightsizing all costs including redundancies, a temporary 15% salary reduction scheme for all employees including Executive and Non-Executive Directors to help secure the business in the short-term. At the same time, we took advantage of the Government Furlough scheme, with 25 employees involved in the scheme. Included in overheads was £0.2m of non-recurring administrative expenses as a result of the redundancies. As reported elsewhere our monthly run rate of total costs, both cost of sales and overheads dropped by approximately £400k in the year to end at approximately £370k. Interest expense at £54k is down on the previous year as debt continues to be paid down.

Capitalised development costs amounted to £0.6m in the year (FY19: £0.6m). Our development capacity is contributing to the marketability of the Group's products and the product launch in August is strategically important to us and our current customers and prospects.

Group loss before taxation reduced from £4.33m in FY19 to £2.38m, a result that reflects the cost reductions made, with most of the impact on our second half year. There are minimal plans to increase the cost base in the coming year, restricted to well targeted investments in lead generation, projects designed to improve conversion rates and in marketing initiatives with our partners.

Cash Flow

The Group has cash & cash equivalents at the period end of £0.12m (FY19: £1.53m). The Group's cash position was significantly enhanced shortly after year end with the successful conclusion of a fund raise to secure £1.235m net of expenses as a result of the issue of Fixed Rate Unsecured Convertible Redeemable Loan Notes.

Gross debt at 30 September 2020 was £0.24m, of which £0.18m was payable within one year.

The Group experienced a net outflow of funds from operating activities of £2.2m (FY19 £4.2m). The Group had a cash outflow of £0.3m (FY19 £0.4m) from the servicing of its debt finance.

As reported above the Group successfully secured funding after the Balance Sheet date in the form of Fixed Rate Unsecured Convertible Redeemable Loan Notes to the value of £1.235m net of expenses. These funds provide much needed additional working capital to facilitate the continued implementation of the Company's growth plan and will be applied entirely towards meeting the Company's ongoing working capital requirements.

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

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

The Board's assessment in relation to going concern is included in Note 2 of the financial information. The Group's principal risks and uncertainties are set out in Note 9 of the financial information.

Capital expenditure

The Group operates an asset light strategy and has low capital expenditure requirements, therefore expenditure on tangible fixed assets is low at 1% of revenue (FY19: 5%). The main area of capitalisation is the development of the Group's product software.

Alyson Levett
Chief Financial Officer

19 February 2021

STRATEGIC REPORT:
Principal Risks and Uncertainties

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

Risk	Description	Mitigation
Working capital Vulnerability of the Groups long term working capital	Whilst the Directors believe that the recent injection of funds, as a result of the convertible bond issue on 4th November 2020, will provide the necessary flexibility to satisfy the Company's near-term funding requirements, there can be no guarantee as to the Company's medium to longer term working capital requirements and, therefore, the Group may need to seek additional capital over and above that raised from the issue of the Convertible Loan Notes. No assurance can be given as to the availability of such additional capital at any future time or, the terms upon which such additional capital would be available. The proceeds of the Convertible Bond issue will provide the necessary flexibility in the event that the expected growth in revenues does not materialise in the near term, the Company's continuing viability in the longer term remains critically dependent on its ability to secure new sales to existing and potential customers. Given the nature of the COVID-19 Pandemic, it is not possible to know the potential impact of the ongoing crisis on the activities of the Group for the current financial year and beyond and, in particular, it is possible that as a direct or indirect result the Company will continue to experience a slower and/or lower sales conversion rate than the Directors have modelled within their central case financial projections. This could in turn have a material adverse effect on the Group's business, results of operations, financial condition and prospects.	The Group prepares regular business forecasts and monitors its projected cash flows, which are reviewed by the Board. The scenarios and sensitivities demonstrate that there are actions management can implement should the plans not deliver the growth hoped.

Risk	Description	Mitigation
COVID 19 Pandemic The ongoing impact of the Covid 19 Pandemic cannot be predicted	The COVID-19 Pandemic has affected the performance of the business of the Group. The restrictions being imposed in the UK, as well as similar lockdown measures introduced internationally (particularly in the US which is the Group's largest market) have created uncertainty around when normal business will resume. As at the date of this document, given the nature of the crisis, the Group is not aware of the full extent of the effects of the COVID-19 Pandemic for the current financial year or beyond. The global economic slowdown resulting from the COVID-19 Pandemic requires a number of businesses worldwide to make adjustments to their operating models. Whilst the Group continues to monitor the situation on a regular basis and may be able to introduce further cost saving measures if needed, it is possible that in the longer term the COVID-19 Pandemic will have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Also, there is no assurance that the implementation of the Company's strategic and operational changes introduced to date will be successful under current or future market conditions. Furthermore, if there were to be further outbreaks of the COVID-19 Pandemic either globally or in the Group's markets this could materially adversely affect the Group's business, results, financial condition and prospects.	In addressing the impact of the COVID-19 Pandemic on its markets and its customers, the Group has taken swift and decisive action to reduce its operating cost base in cash terms since the start of the crisis. Staffing expense reductions have been implemented and this has been combined with reduced discretionary spending. This has reduced the Group's monthly operating cost significantly to approximately £370,000. The Group have identified further actions that can be taken to reduce its cost base further should this prove necessary.

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Implementation of Growth Strategy Failure to successfully implement its growth strategies.	The Board recognises that executing the Group's strategy may be difficult to implement/achieve and may not be as successful as planned. Pressure on management, limitations on operational and financial resources, the potential insufficiency of demand for the Group's products and a slower than anticipated market acceptance of the Group's products could lead to failure to successfully implement its strategies and so adversely affect the Group's reputation, prospects, results of operations, and its financial condition.	The Board monitors and manages these strategies against market conditions, monthly performance against budget and cash available.
Digitalising Strategy Execution Failure of the market to accept the need/urgency to digitalise their Strategy Execution	A large proportion of the Group's target market continues to use traditional methods and in-house developed systems to assist in their SE. The Board believes the market needs further education in the benefits of digitalising SE. Potential customers may prefer to "do nothing" and be unnecessarily cautious about investing in the Group's software. Failure by the Group to adequately explain the value proposition to increase the market's readiness to accept the technology will lead to slower than projected growth.	The Group has internal sales and marketing functions, which are also supported by a growing network of consulting partners, that work with potential customers to educate on the benefits the product can offer an organisation.
Account Proliferation Failure of our existing accounts to grow, resulting from dissatisfaction with the product and/or deployment issues.	An important aspect of the Group's growth strategy is to proliferate sales of its i-nexus software with existing customers as a result of the natural evolution of the software use over time. Although the Group has a number of examples where this has occurred in the past, this is no guarantee that it will continue to happen at the increasing rate predicted. Any failure of this anticipated account proliferation to happen will affect the Group's future success and adversely affect its business, prospects and results of operations and financial position.	One of the key strategies followed by the Group is investment in its Success teams aimed at broadening and deepening our reach within accounts. In addition the Summer 2020 release targeted to enhance user experience should help to reduce risk in this area.

Risk	Description	Mitigation
Dependence on Channel Partners Failure to develop this additional route to market effectively.	Part of the Group's strategy is to increasingly sell its software through channel partners. There are no guarantees that sufficient channel partners will be found to sell the Group's software at the rates planned. The Directors are confident that engagements to date by existing and prospective channel partners provide strong evidence of the opportunity in this regard. However, there is a risk that the loss of any one or more existing channel partners and/or failure to secure enough productive channel partners in the future could affect the Group's future success and adversely affect its business, prospects and results of operations and financial position.	Substantial focus has been maintained on this area this year. The CEO is personally heavily involved in the evolution of this strategic theme and the Board is closely monitoring progress.
Dependence on key Customers Failure to retain our larger key customers.	A small group of key customers provide nearly half of the Group's MRR. One of the Group's key customers represents approximately 18 per cent of current MRR. The Group's top five customers generated 45 per cent of annual revenue in FY2020. The Group's financial performance is therefore partly dependent on the continued business relationship with these key customers. Failure to manage the ongoing renewal of the contracts with these key customers on a commercially acceptable basis could materially affect the Group's operations and/or its financial condition.	As previously reported the Group has invested heavily in Success activities. Utilising the tools available to us gives us the visibility we need across our key accounts and forms the basis of a clear strategy of interaction with them. Whilst this cannot guarantee renewal in the face of disruptive external factors we can't foresee or manage, risk is generally no higher than a year ago.
Software Reliability Undetected defects in the software provided by the Group.	If the software provided to our customers contains undetected defects when first introduced or when upgraded then the group may fail to meet its customers performance requirements or otherwise satisfy contract specifications. As a result it may lose customers and/or become liable to its customers for damages and this may among other things damage the Group's reputation, business, prospects, results of operation and financial condition.	The Group targets significant investment in product R&D. This includes performance enhancements, bug fixes and integration of new technologies, all of which undergo substantial testing before releasing to customers. In addition the Group endeavours to negotiate limitations of liability clauses in its customers' contracts.

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

Risk	Description	Mitigation
Software Applicability The i-nexus software may not perform as expected or meet customers' changing expectations quickly enough.	There is no guarantee that the i-nexus software will perform as intended or meet customer expectations either in terms of functionality, performance or usability. Costs spent on developing the i-nexus software may therefore not be recouped at the rate anticipated or at all, and this may result in reduced profitability for the Group.	The Board feels that the Summer 2020 release along with the Group's product strategy and R&D focus has de-risked this area as a result.
Market Growth Failure of Strategy Execution market to grow at the rate expected.	The Directors believe that there is strong evidence supporting the growth in the adoption of Strategy Execution software. However, there can be no assurance that this growth will happen at the rate envisaged by the Directors. If the market fails to adopt Strategy Execution software at the rate envisaged then this will affect the Group's future success and adversely affect its business, prospects and results of operations and financial position.	The Board do not consider this year's new deal performance to be indicative of an underlying weakness in the market for the Group's product. The impact of Covid 19 has been highlighted elsewhere in this report. However it is clear from competitor activity and Gartner and Forrester interactions that the Strategy Execution Management market is evolving and we expect a Magic Quadrant to be created in due course.
Competitors The Group may face competition in a rapidly evolving market.	The Group may face an increasing amount of competition in the future as the market expands, making entry to it more attractive. Whilst the Group has achieved its market position through a deep understanding of the market, and the 10 years of development of its i-nexus software which places the Group in a strong position, there is no guarantee that the Group's competitors and potential competitors (who may have significantly greater financial, marketing, service, support, technical and other resources than the Group) may be able to develop competing products, respond more quickly to changes in customer requirements and devote greater resources to the enhancement, promotion and sale of their products, which could have a negative impact and disadvantage the Group's business. The entry into the market of strong, well funded competitors, could have a negative impact on sales volumes or profit margins achieved by the Company in the future.	The Group invests in R&D and product development to ensure that the product remains market leading. Our highly experienced Head of Marketing is responsible for making substantial improvements in our on line presence gives the Board comfort that the marketing strategy will help maintain our competitive position in an evolving market.

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

STRATEGIC REPORT:
Principal Risks and Uncertainties continued

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

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

STRATEGIC REPORT:
Shareholder Engagement

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

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

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

Stakeholder Group	Principal Methods of Engagement
Shareholders	The Board engages with shareholders throughout the year through the annual and half year results and trading updates, the Annual General Meeting, the investor roadshows and the investor pages on the i-nexus Global plc website. Throughout the year the Board engages with major shareholders and investors as required and receives detailed feedback reports via our various advisors, on views of shareholders and covering analysts.
Employees	Our culture defines the behaviours we expect from all our employees and helps drive our strategy of building a high performance team. The Board engages with employees by maintaining a rotational schedule which sees department heads present at Board meetings, weekly Management Updates with the CEO and fortnightly alternate All Hands briefing email and meetings, currently being run virtually. We also hold an annual "Launch Event" whereby we review the year just gone and consider the targets and aspirations for the year ahead.
Customers	The Group places customers at the heart of our business and strategy. All our teams are focussed on regular communication with customers to ensure we fulfil our customers' product and service requirements and to deliver excellent customer service. We ensure that our customers have the opportunity to speak to their support team, account manager or a member of senior management throughout each stage of their customer journey with i-nexus.
Suppliers and key partners	Open and honest engagement and relationships with our suppliers and subcontractors is critical to the delivery of our business. The Group has a number of key strategic partners that we engage with to support delivery of our business in a number of key areas including IT infrastructure and communication products and services, software, and our landlords on leased property. Our teams and employees interact with our strategic partners and all other suppliers on a regular basis to strengthen trading relationships and to ensure that the supply chain function continues to operate well to support the business.
Environment	The Group recognises the environmental impacts arising from our business activities and is committed to reducing these through effective environmental management. The Group switched hosting to Amazon Web Services this year, because they 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	Each year, the Board approves the annual budget of the Group and reviews the Group's strategy and growth plans for the budget year and the following year. In September 2020, the Board approved the Budget for FY 21 which incorporated a net growth target that reflects the current Covid 19 impacted environment	Shareholders, Employees, Customers, Suppliers
Performance of the Group	On a monthly basis, the Board reviews the trading performance of the Group with detailed Board reports, including management accounts, provided by the Executive team covering trading in the month and year to date, with operational and financial performance monitored against budget and the previous financial year. These reports cover sales and forecast pipeline, customers and suppliers, data centre activity and various aspects of operational performance and compliance with ISO requirements as applicable. In the year, the Board spent significant time reviewing and agreeing the company's response to the Covid 19 pandemic. Alongside tactical decisions on redundancies, furlough and cost cutting including salary cuts, strategic options were a theme of every Board meeting.	Shareholders, Employees, Customers, Suppliers, Environment
Financing and capital spend	The Board approves the extent of the investment being made in the i-nexus product. In an environment of a weakened financial position it was agreed that we maintain capacity to allow the completion of the latest release of i-nexus – the Summer 2020 release. The risks around this release were monitored by the Board. As a result of both the weaker sales experienced in 2019 and the Covid 19 impact which left the Group with reduced working capital, strategic options for additional financing were explored from 28th May 2020 through to the successful completion of the Convertible Bond issue in November 2020.	Shareholders, Employees

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

CORPORATE GOVERNANCE:
Board of Directors

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

Alyson Levett, Chief Financial Officer

Alyson Levett joined the Company as Finance Director in 2012, assuming a strategic role and day-to-day responsibility for planning, implementing, managing and controlling all finance-related activity. Alyson has an extensive background in finance, including as Finance Director of Griffin Internet prior to its acquisition by MDNX in 2012. Alyson was also a Director of AML Financial Consultancy Limited, through which she provided consultancy services to businesses on a range of finance related matters. She is a Non Executive Director of AMTE Power Limited and chairs the Audit Committee. She has a masters degree in economics from Cambridge University and is a qualified Chartered Accountant.

Nigel Halkes, Independent Non-Executive Director

Nigel Halkes is an experienced Non-Executive Director and a former Managing Partner of Ernst & Young, UK & Ireland ("EY"). He is a Non-Executive Director of Hargreaves Services plc and Tribal Group Plc, both AIM listed companies, where he chairs the audit committees. Nigel was also a Non-Executive Director of FreeAgent Holdings plc, a provider of cloud-based SaaS accounting software, which was admitted to AIM in November 2016 and was subsequently sold to Royal Bank of Scotland for £53 million on 1 June 2019. Nigel was a partner at EY for 25 years, during which time he led their Technology, Media & Telecommunications business through a period of sustained growth. In his leadership role at EY, Nigel was responsible for the UK firm's growth strategy, key account programme and the business development function.

CORPORATE GOVERNANCE:
Corporate Governance Statement

Chairman's Introductory Statement on Corporate Governance

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

I believe our culture is consistent with the Company'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 success and we have in place a strong and effective governance framework and associated practices to ensure that these high standards of governance, values and behaviours are applied throughout the Company in a consistent manner. 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. From 28 September 2018 AIM companies have been required to apply a recognised corporate governance code. The Company has adopted and complies with all 10 principles of the Corporate Governance Code published by the Quoted Companies Alliance (the QCA Code). The ways in which the Company complies with the QCA Code are identified below and can also be found on our website.

1. Long-term Value and Strategy

The Company's business model is designed to promote long-term value for all stakeholders. It is explained more in the CEO Statement above.

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, including after the announcement of full year and half-year results, and are responsible for ensuring that their expectations are understood by the Board. In addition the Chairman is available should shareholders need his input. The AGM also provides an opportunity for all shareholders to engage and to ask questions of the Board. In addition, the Company engages with its shareholders through regular 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 Company focuses on building strong and sustainable relationships with a range of different stakeholders in order to support the long-term success of the Company. Details on this are included in the section Stakeholder Engagement in the Strategic report above on pages 18 to 20.

4. Risk Management

The Company is exposed to a number of potential risks which may have a material effect on its reputation, financial or operational performance. The Board has overall responsibility for risk management and internal controls and is fully supported by the Audit Committee. More detail about the identified principal risks and uncertainties can be found on pages 10 to 14. The Board has overall responsibility for the Company's system of internal control and for reviewing its effectiveness. The processes to identify and manage the key risks of the Company 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 15. The Board has determined Nigel Halkes 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 Company. 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 at regularly. Further information on the Board, its constitution and procedures can be found below.

6. Board Composition and Performance

The Board considers its overall size and current composition to be suitable and have an appropriate balance of sector, financial and public markets skills and experience as well as an appropriate balance of personal qualities and capabilities. Further details on our compliance in this area can be found on page 18. As noted in the Chairman's Statement, Nigel Halkes has informed the Board of his intention not to seek re-election as a Director at the forthcoming AGM. He will be replaced on the Board by newly appointed Independent Non-executive Director, David Firth, who brings a wealth of senior Executive and non-Executive experience.

7. Board Evaluation

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

8. Company Culture

The Company has no pre-defined set of values formally documented, however the following graphic identifies behaviours and attitudes the Company expects employees to reflect.

CORPORATE GOVERNANCE:
Corporate Governance Statement continued

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

9. Governance

Whilst the Board is collectively responsible for defining corporate governance arrangements, the Chairman is ultimately responsible for corporate governance. The governance structures within the Company have been assessed by the Board and are considered appropriate for the size, complexity and risk profile of the Company. This will be reviewed by the Board to ensure governance arrangements continue to be appropriate as the Company changes over time. There is a formal schedule of matters reserved for the decision of the Board that covers the key areas of the Company'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. The Chairman and Chief Executive Officer have clearly defined roles and responsibilities. The role of the Chairman is to lead the Board and ensure it is operating effectively in approving and monitoring the strategic direction of the Company. The role of the Chief Executive is to propose strategic direction to the Board and to execute the approved strategy by leading the executive team in managing the Company's business. The Board is supported by an Audit Committee and a Remuneration Committee.

10. Communication

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

Board Constitution and Procedures

As at 30 September 2020, 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 Company 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 Company, with the Non-Executive Directors additionally bringing independent thought and judgement.

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

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

Attendance at Meetings

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

	BOARD MEETINGS	REMUNERATION COMMITTEE	AUDIT COMMITTEE
Richard Cunningham	12/12	2/2	3/3
Nigel Halkes	12/12	2/2	3/3
Simon Crowther	12/12		
Alyson Levett	12/12		

Roles and Responsibilities

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

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

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

Internal Control

Management has considerable autonomy to run and develop the business of the Group's. 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 Company are safeguarded, that proper accounting records are maintained, and that reliable financial information is produced.

Audit Committee

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

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

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

CORPORATE GOVERNANCE:
Corporate Governance Statement continued

The FRC's ethical standard for auditors requires key audit partners of public interest entities or other listed entities to cease their participation in the statutory audit not later than 5 years from the date of their appointment. This year, our key audit partner was required to rotate off the audit, so the Chair of the Audit Committee interviewed the candidate proposed by Saffery Champness LLP for suitability and agreed the appointment of Michael Strong to fill the role of key audit partner.

The Committee reviewed the effectiveness of the Company'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 governing 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, the Board and Committee are satisfied by these safeguards. As such the Committee has pre-approved that permitted non-audit services can be provided up to a maximum of 50% of the Audit fees. For certain specific permitted services, the Committee has pre-approved that Saffery Champness can be engaged by management, subject to the policies referred to above.

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

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

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 Nigel Halkes. The Committee meets at least annually and reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to the remuneration of the Executive Directors and Senior Management, including bonus awards, share incentive plans and objectives. The Committee also reviews and makes recommendations to the Board on the overall remuneration policy of the Group, including the design of any performance related pay schemes, share incentive schemes and employee benefit structures.

Nomination Committee

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

CORPORATE GOVERNANCE:
Group Directors Report For the year ended 30 September 2020

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 2020.

Directors

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

Richard Cunningham
Nigel Halkes
Simon Crowther
Alyson Levett

Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Corporate Governance Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. The Directors are also required to prepare Financial Statements in accordance with the Rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market and the ESM exchange of the Irish Stock Exchange.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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 Company without paying more than necessary. The remuneration policy bears in mind the Company's appetite for risk and is aligned to the Company'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 Company.

CORPORATE GOVERNANCE:

Group Directors Report For the year ended 30 September 2020

Base Salary Review

Having taken external advice the Remuneration Committee developed its 2020 remuneration proposals based on what the Remuneration Committee believe to be appropriate remuneration levels for the Company at its current stage of development.

Bonus Payments

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

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

Long Term Incentives

The Company has adopted both a Long Term Incentive Plan and an Employee Share Option Plan (the "Plans") with all Directors, Senior Management and employees of the Company eligible to receive awards on the Plans. No options were granted under the plans in 2020. As disclosed in the circular to Shareholders concerning the Convertible Bond issue in November 2021, and subsequently confirmed in the RNS of January 29th the Board's has issued options under the plans in 2021. In accordance with UK best practice on corporate governance, it is the Company's current policy not to award share options to Non-Executive Directors.

Directors' Remuneration – Current Year

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

	Base Salary and Fees £'000	Bonuses £'000	Pension Contri-butions £'000	2020 Total £'000	2019 Total £'000
Simon Crowther	157	–	13	170	181
Alyson Levett	122	–	10	132	154
Richard Cunningham	24	–	1	25	49
Nigel Halkes	35	–	–	35	35
Paul Docherty	–	–	–	–	165
James Davies	–	–	–	–	9
2020 TOTAL	**338**	**–**	**24**	**362**	**593**
Period to 30 September 2020					
Share based payments	–	–	–	–	–
Period to 30 September 2020 – Total	**338**	**–**	**24**	**362**	**593**

During the year all of the Directors voluntarily agreed to reduce their remuneration for the period from April to September 2020, because of the adverse impact of Covid-19 on the business.

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 2020 Number	30 September 2020 %
Simon Crowther	**868,475**	**2.94**
Alyson Levett	**777,796**	**2.63**
Richard Cunningham	**1,083,100**	**3.66**
Nigel Halkes	**20,331**	**0.07**

In addition to the interest in shares directly owned, Richard Cunningham also has an interest resulting from his participation in the issue of the Fixed Rate Unsecured Convertible Redeemable Loan Note. His participation represents a maximum interest of 3,100,000 in new Ordinary Shares that could be issued pursuant to the Convertible Loan Note Instrument.

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. Alyson Levett and Simon Crowther held no external Non-Executive Directorships in the period. Both Richard Cunningham and Nigel Halkes held external Non-Executive Directorships in the period.

Results and Dividends

The results for the year are set out on page 31 and are also discussed in the Strategic Report. The Directors do not recommend payment of a dividend.

Share Capital Structure

The Company's ordinary shares of 10p are listed on the Alternative Investment Market ("AIM") market of the London Stock Exchange (ticker: INX). At the date of this report, 29,571,605 ordinary shares of 10p each were in issue. Details of share issues and changes to the capital structure during the year are set out in note 23.

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 2020 Number	30 September 2020 %
1	Herald Investment Management Limited	**4,040,846**	**13.66**
2	Alto Invest	**2,885,410**	**9.76**
3	Interactive Investor	**2,403,954**	**8.13**
4	Hargreaves Lansdown PLC	**2,332,096**	**7.89**
5	Antrak Limited	**1,852,210**	**6.26**
6	Gresham House plc	**1,582,279**	**5.35**
7	Bury Fitzwilliam-Lay and Partners	**1,459,460**	**4.94**
8	BPCE	**1,250,000**	**4.23**
9	Richard Cunningham	**1,083,100**	**3.66**
10	The Capital for Enterprise Fund LLP	**889,080**	**3.01**

CORPORATE GOVERNANCE: Group Directors Report For the year ended 30 September 2020

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

Qualifying Indemnity Provision

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

Going Concern

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

The Group prepares regular business forecasts and monitors its projected cash flows, which are reviewed by the Board. Forecasts are adjusted for reasonable sensitivities that address the principal risks and uncertainties to which the Group is exposed, thus creating a number of different scenarios for the Board to challenge including a "stress" case scenario of a worsening of total billing across recurring and services revenue of £700k, nearly a 50% reduction in new billing compared to the base case budgeted for the current financial year. In those cases, where scenarios deplete the Group's cash resources too rapidly, consideration is given to the potential actions available to management to mitigate the impact of one or more of these sensitivities, in particular the discretionary nature of costs incurred by the Group, in order to ensure the continued availability of funds. The Board have also taken into account that the Group does not have access to bank debt.

Based on current trading, the stress test scenario is considered very unlikely. However, it is difficult to predict the overall impact and outcome of Covid-19 at this stage, as the second wave hits different geographies and sectors in different ways. Nevertheless, after making enquiries, and considering the uncertainties described above and after receiving the convertible debt funds of £1.235m net, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the balance sheet date. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Events After the Reporting Period

Events after the reporting period are set out in note 26 to the Financial Statements. Likely future developments in the business are discussed in the Strategic Report.

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

Annual General Meeting

The Company will hold the 2020 AGM on Thursday 25th March 2021. The Notice of the Meeting accompanies the Annual Report and Accounts. Due to COVID-19 restrictions the 2020 AGM will be held virtually. In line with Government guidelines shareholders will not be allowed to attend in person and all voting will be via a poll vote.

By Order of the Board

Alyson Levett
Company Secretary

19 February 2021

FINANCIAL STATEMENTS:
Independent Auditor's Report For the year ended 30 September 2020

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 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated and company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 2020 and of the group's loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 audit addressed the key audit matter
Revenue recognition As detailed in the notes to the financial statements, the group's revenue is generated from the development and licencing of cloud-based software and associated maintenance, support, software customisation and professional consultancy services. Revenue is recognised in accordance with the terms of the contracts with customers which can span a period of over twelve months in compliance with IFRS.	Our audit procedures included the following: • We tested a sample of contracts and corroborated the accounting treatment including the amount of deferred income recognised at the period end; • We tested a sample of project income to time records and ensured this income was recorded in line with the group's revenue recognition policy; and Based on our procedures we have concluded that revenue has been recognised in accordance with the financial reporting framework.
The recognition and capitalisation of development costs As detailed in the notes to the financial statements, the group carries out research and development of its internally generated software. The expenditure that does not meet the recognition criteria of IAS 38 should be expensed to the consolidated statement of comprehensive income. The expenditure that meets the recognition criteria of IAS 38 should be capitalised as an intangible asset and amortised over the period in which the group expects to benefit from it. This capitalised development expenditure must adhere to the specific recognition criteria and disclosure requirements under IAS 38.	Our audit procedures included the following: • We reviewed the development criteria alongside managements workings and justifications, ensuring these comply with the accounting standards for capitalisation or not; • We validated the costs to underlying records; and • We discussed with management the stage of completion and carrying value of the unamortised costs. Based on our procedures we have concluded that the expenditure has been appropriately accounted for including the capitalisation of certain development costs.

FINANCIAL STATEMENTS:
Independent Auditor's Report continued

Key Audit Matter	How our audit addressed the key audit matter
Going concern The going concern assumption is fundamental in the preparation of financial statements. The Group utilised cash of £1.4m in the year and cash reserves were at £0.1m at year end. This raises the concern that the business may have insufficient cash to trade for the coming year without further placing of shares. The group has no banking facilities to utilise.	Our audit procedures included the following: • We reviewed the working capital presentation, financial models and forecast scenarios prepared by the management team to support their conclusion that the business was a going concern; • We reviewed the sensitivities prepared by management and corroborated the modelled impact of proposed mitigating actions to supporting information; • We reviewed new contracts secured after the balance sheet date, ensuring these were correctly incorporated into the forecasts prepared by management; • We vouched inflows from the post year and fundraise to supporting documentation; • We reconciled the monthly recurring revenue to the historic information and underlying records; and • We spoke to management and challenged the assumptions used. Based on our procedures we concluded that the going concern assumption adopted by the directors appears reasonable. The scenarios and sensitivities demonstrated that there are actions management can implement should the plans not deliver the growth hoped.

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

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

The materiality for the group financial statements as a whole was set at £87,000. This was determined with reference to a benchmark of revenue which we consider to be the principal consideration in assessing the financial performance of the group. The group considers monthly recurring revenue growth to be the key performance indicator.

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

We agreed with the Audit Committee that we would report to the Committee all individual audit differences in excess of £4,350. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

The group manages its operations from a single location in the UK and has common financial systems, processes and controls covering all significant components. The audit of all significant components was performed by the same audit team.

In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitate coverage of significant accounts in the financial statements, we determined that two components, i-Nexus Global plc and i-Solutions Global Limited, represented the principal business units within the Group. A full scope audit was undertaken on each component.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and 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 27, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

19 February 2021

Consolidated Statement of Comprehensive Income

For the year ended 30 September 2020

	Note	**Year ended 30 September 2020 £**	Year ended 30 September 2019 £
Revenue	5	**4,080,582**	4,759,072
Cost of sales		**(1,094,342)**	(1,212,175)
Gross profit		**2,986,240**	3,546,897
Administrative expenses		**(5,310,671)**	(7,817,865)
Operating loss		**(2,324,431)**	(4,270,968)
Adjusted EBITDA	6	**(1,816,412)**	(4,050,691)
Depreciation, impairment and profit/loss on disposal		**(331,924)**	(105,977)
Non-underlying items		**(176,095)**	(114,300)
Finance income		**1,007**	6,904
Finance costs	10	**(54,299)**	(66,838)
Loss before taxation		**(2,377,723)**	(4,330,902)
Tax on loss	11	**361,490**	401,164
Loss for the year		**(2,016,233)**	(3,929,738)
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		**8,068**	(14,030)
Loss on net investment hedge		**(26,307)**	(92,158)
Total comprehensive loss for the year		**(2,034,472)**	(4,035,926)
Attributable to equity holders of company		**(2,034,472)**	(4,035,926)
		£	£
Basic and diluted loss per share	23	**(0.07)**	(0.14)

The notes on pages 43 to 67 form part of these financial statements

Consolidated Statement of Financial Position

As at 30 September 2020

	Note	**30 September 2020 £**	30 September 2019 £
Non-current assets			
Intangible assets	13	**1,136,808**	618,609
Property, plant and equipment	14	**245,963**	339,131
Total non-current assets		**1,382,771**	957,740
Current assets			
Trade and other receivables	17	**832,507**	1,418,293
Current tax receivable		**300,000**	400,000
Cash and cash equivalents	18	**120,011**	1,533,323
Total current assets		**1,252,518**	3,351,616
Total assets		**2,635,289**	4,309,356
LIABILITIES			
Current liabilities			
Borrowings	20	**179,098**	159,730
Lease liability		**37,467**	-
Trade and other payables	19	**1,239,609**	942,210
Deferred income		**1,723,661**	1,541,109
Total current liabilities		**3,179,835**	2,643,049
Non-current liabilities			
Borrowings	20	**64,402**	243,500
Provisions	21	**80,702**	80,702
Total non-current liabilities		**145,104**	324,202
Total liabilities		**3,324,939**	2,967,251
Net (liabilities)/assets		**(689,650)**	1,342,105
Equity			
Share capital	23	**2,957,161**	2,957,161
Share premium		**7,256,188**	7,256,188
Foreign exchange reserve		**(15,470)**	(23,538)
Merger reserve		**10,653,881**	10,653,881
Accumulated losses		**(21,541,410)**	(19,501,587)
Total equity		**(689,650)**	1,342,105

Approved by the Board and authorised for issue on 19 February 2021.

Simon Crowther
Director
Company Registration No. 11321642

Company Statement of Financial Position

As at 30 September 2020

	Note	30 September 2020 £	30 September 2019 £
ASSETS			
Non-current assets			
Investments	15	**1,654,770**	1,654,770
		1,654,770	1,654,770
Current assets			
Trade and other receivables	17	**7,990,099**	7,902,272
Cash and cash equivalents	18	**226**	66,831
		7,799,325	7,969,103
Total assets		**9,645,095**	9,623,873
LIABILITIES			
Current liabilities			
Trade and other payables	19	**(111,345)**	(90,123)
		(111,345)	(90,123)
Total liabilities		**(111,345)**	(90,123)
Net assets		**9,533,750**	9,533,750
Equity			
Issued capital	23	**2,957,161**	2,957,161
Share premium		**7,256,188**	7,256,188
Accumulated losses		**(679,599)**	(679,599)
Total equity		**9,533,750**	9,533,750

As permitted by section 408 Companies Act 2006, The Company has not presented its own profit and loss account and related notes. The parent company's loss for the year was £0.

Approved by the Board and authorised for issue on 19 February 2021.

Simon Crowther
Director
Company Registration No. 11321642

Consolidated Statement of Changes in Equity

For the year ended 30 September 2020

	Issued capital £	Share premium £	Foreign exchange reserve £	Merger reserve £	Accum-ulated losses £	**Total equity £**
At 1 October 2018	2,957,161	7,256,188	(9,508)	10,653,881	(15,479,691)	**5,378,031**
Loss for period	–	–	–	–	(3,929,738)	**(3,929,738)**
Exchange differences on foreign operations	–	–	(14,030)	–	–	**(14,030)**
Loss on net investment hedge	–	–	–	–	(92,158)	**(92,158)**
At 30 September 2019	2,957,161	7,256,188	(23,538)	10,653,881	(19,501,587)	**1,342,105**
Loss for the year	–	–	–	–	(2,016,233)	**(2,016,233)**
Transition to IFRS 16	–	–	–	–	2,717	**2,717**
Exchange differences on foreign operations	–	–	8,068	–	–	**8,068**
Loss on net investment hedge	–	–	–	–	(26,307)	**(26,307)**
At 30 September 2020	2,957,161	7,256,188	(15,470)	10,653,881	(21,541,410)	**(689,650)**

Company Statement of Changes in Equity

For the year ended 30 September 2020

	Issued capital £	Share premium £	Accumulated losses £	**Total equity £**
At 1 October 2018	2,957,161	7,256,188	(336,639)	**9,876,710**
Loss for the period	–	–	(342,960)	**(342,960)**
At 30 September 2019	2,957,161	7,256,188	(679,599)	**9,533,750**
Loss for the year	–	–	–	**–**
At 30 September 2020	2,957,161	7,256,188	(679,599)	**9,533,750**

Reserve	**Description**
Issued capital	Nominal value of issued shares
Share premium	Includes all current and prior period premiums on shares allotted.
Share based payment reserve	This reserve relates to amounts recognised for the fair value of share options granted in accordance with IFRS 2.
Foreign exchange reserve	This reserve relates to exchange differences arising on the translation of foreign subsidiary operations.
Merger reserve	This represents the carrying value of the investment in the subsidiary undertaking at the point of the share for share exchange.
Accumulated losses	All other net gains and losses not recognised elsewhere

Consolidated and Company Statement of Cash Flows

For the year ended 30 September 2020

	Notes	**Group Year ended 30 September 2020 £**	Group Year ended 30 September 2019 £	**Company Year ended 30 September 2020 £**	Company Year ended 30 September 2019 £
Cash flows from operating activities					
Loss before taxation		**(2,377,723)**	(4,330,902)	**–**	(342,960)
Adjustments for non-cash/non-operating items:					
Depreciation and profit on disposals		**331,924**	105,977	**–**	–
Share based payments		**–**	–	**–**	–
Finance income		**(1,007)**	(6,904)	**–**	–
Finance charges		**54,299**	66,838	**–**	26
		(1,992,507)	(4,164,991)	**–**	(342,934)
Changes in working capital:					
Decrease in trade and other receivables		**690,536**	333,663	**(87,827)**	477,360
Increase/(decrease) in trade and other payables		**489,077**	(577,802)	**21,222**	(67,570)
Taxation		**361,490**	184,326	**–**	–
Net cash from operating activities		**(451,404)**	(4,224,804)	**(66,605)**	(409,790)
Cash flows from investing activities					
Purchase of property, plant and equipment	14	**(39,744)**	(247,040)	**–**	–
Proceeds from sale of property, plant and equipment	14	**–**	1,154	**–**	–
Purchase of development costs	13	**(628,210)**	(563,598)	**–**	–
Interest received		**1,007**	6,904	**–**	–
Net cash flow from investing activities		**(666,947)**	(802,580)	**–**	–
Cash flows from financing activities					
Principle elements of lease payments		**(89,000)**	–	**–**	–
Proceeds from borrowings		**–**	–	**–**	–
Repayment of borrowings		**(159,730)**	(298,998)	**–**	–
Interest paid		**(54,299)**	(66,838)	**–**	(25)
Net cash flow from financing activities		**(303,029)**	(365,836)	**–**	(25)
Net increase/(decrease) in cash and cash equivalents		**(1,426,131)**	(5,393,220)	**(66,605)**	66,831
Cash and cash equivalents beginning of period		**1,533,323**	6,940,573	**66,831**	–
Effect of foreign exchange rate changes		**8,068**	(14,030)	**–**	–
Cash and cash equivalents at the end of the period		**120,011**	1,533,323	**226**	66,831

Notes to the Financial Statements

For the year ended 30 September 2020

1 General information

i-nexus Global PLC is a public company limited by shares incorporated in England and Wales (registration number **11321642**). The registered office and principal place of business is i-nexus, i-nexus Suite, George House, Herald Avenue, Coventry Business Park, Coventry, CV5 6UB.

The principal activity of i-nexus Global plc and its subsidiaries (the Group) is that of development and sale of Enterprise cloud-based software on a software-as-a-service (SaaS) basis and associated maintenance, support, software customisation and professional consultancy services.

2 Significant accounting policies

The following principal accounting policies have been used consistently in the preparation of consolidated financial statements.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union, in accordance with the IFRS Interpretations Committee ("IFRIC") interpretations, and with those parts of the Companies Act 2006 as applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

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

Historical cost convention

The financial statements have been prepared under the historical cost convention except for the following:

- The business combination of i-Solutions Global Limited by i-nexus Global plc has been accounted for under the merger method
- The use of fair value for financial instruments measured at fair value

Basis of consolidation

The financial statements incorporate the results of i-nexus Global plc and all of its subsidiary undertakings as at 30 September 2020.

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

The reconstructed group was consolidated using merger accounting principles, as outlined in 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.

Notes to the Financial Statements continued

For the year ended 30 September 2020

Going concern

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

The Group prepares regular business forecasts and monitors its projected cash flows, which are reviewed by the Board. Forecasts are adjusted for reasonable sensitivities that address the principal risks and uncertainties to which the Group is exposed, thus creating a number of different scenarios for the Board to challenge including a "stress" case scenario of a worsening of total billing across recurring and services revenue of £700k, nearly a 50% reduction in new billing compared to the base case budgeted for the current financial year. In those cases, where scenarios deplete the Group's cash resources too rapidly, consideration is given to the potential actions available to management to mitigate the impact of one or more of these sensitivities, in particular the discretionary nature of costs incurred by the Group, in order to ensure the continued availability of funds. The Board have also taken into account that the Group does not have access to bank debt.

Based on current trading, the stress test scenario is considered very unlikely. However, it is difficult to predict the overall impact and outcome of Covid-19 at this stage, as further waves hit different geographies and sectors in different ways. Nevertheless, after making enquiries, and considering the uncertainties described above and after receiving the convertible debt funds of £1.235m net, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the balance sheet date. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The financial statements of trading subsidiaries are included in the consolidated financial statements under the merger accounting method until the date that control ceases. The accounting policies of the subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances, and any gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the historical financial information. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

The Group has been consolidated under merger accounting principles as described in 'basis of consolidation' above.

Foreign currencies

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined.

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 Significant accounting policies (continued)

Pensions

i-nexus Global plc operates a defined contribution plan. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Short term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries plus annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Revenue recognition

Revenue represents amounts receivable for services net of VAT and trade discounts.

Revenue comprises of fair value of consideration received or receivable, net of sales taxes and discounts. Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following criteria must also be met before revenue is recognised:

- the amount of revenue can be measured reliably;
- is it probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

The nature of revenues is license fee income (on a SaaS basis) and professional services.

License fee income

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

Professional services income

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 entire 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.

Notes to the Financial Statements continued

For the year ended 30 September 2020

Internally generated intangible assets – Research and development costs

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 benefits. Development expenditure is capitalised if, and only if an entity within the Group can demonstrate all of the following:

i. its ability to measure reliably the expenditure attributable to the asset under development;

ii. the product or process is technically and commercially feasible;

iii. its future economic benefits are probable;

iv. its ability to use or sell the developed asset;

v. the availability of adequate technical, financial and other resources to complete the asset under development; and

vi. its intention to use or sell the developed asset.

Amortisation

Amortisation is charged to profit or loss on a straight-line basis to administrative costs over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Development costs	5 years

Property, plant and equipment

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

Land and buildings leasehold	20% straight line or lease life if shorter
Fixtures, fittings and equipment	25% reducing balance
Computer equipment	33% straight line
Motor vehicles	25% reducing balance

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the consolidated statement of comprehensive income.

2 Significant accounting policies (continued)

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment 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 the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

The 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 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 as an expense immediately, 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 as income immediately, 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.

Financial assets

Classification

The Group classifies all of its financial assets as loans and receivables. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments. They are initially recognised at fair value and are subsequently stated at amortised cost using the effective interest method.

Impairment of financial assets

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired asset.

Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Notes to the Financial Statements continued
For the year ended 30 September 2020

Trade receivables
Trade receivables, defined as loans and receivables in accordance with IAS 39 'Financial Instruments: Recognition and Measurement', are recorded initially at fair value and are subsequently measured at amortised cost. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of future cash flows discounted at the effective interest rate. The movement in the provision is recognised in the consolidated statement of comprehensive income.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Financial liabilities – Trade and other payables
Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, is cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other operating income or finance costs.

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

Net finance costs
Finance costs
Finance costs comprise interest payable on borrowings, direct issue costs, dividends on preference shares and foreign exchange losses, and are expensed in the period in which they are incurred.

Finance income
Finance income comprises interest receivable on funds invested, and foreign exchange gains. Interest income is recognised in profit or loss as it accrues using the effective interest method.

Share capital/equity instruments
Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Warrants
Warrants are considered to be share based payments and are accounted for in accordance with IFRS 2. The fair value of issued warrants is credited to the share based payment reserve at the time of issue of the warrants. Upon the exercise of warrants, the fair value held in the share based payment reserve is transferred to the share premium reserve.

2 Significant accounting policies (continued)

Current and deferred income tax

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Where there is some uncertainty over whether treatments in the tax return will be accepted by HMRC or the relevant overseas jurisdictions, each uncertain treatment (or combination of treatments) is considered for whether it will be accepted, and if probable taxable profits/losses, tax bases, unused tax losses, unused tax credits and tax rates are accounted for consistently with the tax return. Otherwise the Group accounts for each treatment using whichever of the two allowed measurement methods is expected to best predict the final outcome – the single most likely outcome or a probability weighted average value of a range of possible outcomes.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts.

The following temporary differences are not recognised if they arise from a) the initial recognition of goodwill, and b) for the initial recognition of other assets or liabilities in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred income tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

The provision for liabilities comprises the dilapidation provision for the lease, which is included in land and buildings in property, plant and equipment.

Compound Financial Instruments

Compound financial instruments issued by the Group comprise venture debt which entitles the lender to warrant shares in i-nexus Global plc at the drawdown of the loan. The liability component of compound financial instruments is initially recognised at the fair value by discounting the cash flows to net present value. The equity component would be initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, however the i-nexus directors have concluded that the equity component is immaterial and therefore not recorded separately. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured. Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

Notes to the Financial Statements continued

For the year ended 30 September 2020

Leases

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

i. the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised discount rate;

ii. the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

iii. a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

2 Significant accounting policies (continued)

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following relevant standards, interpretations and amendments to existing standards have been published by the IASB but are yet to be endorsed by the EU or are not effective for the period presented in the financial statements and the Group has decided not to early adopt them.

Standard	Effective date, annual period beginning on or after
Amendments to references to Conceptual Framework in IFRS Standards	1 January 2020
Definition of a Business (Amendments to IFRS 3)	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 January 2020
COVID-19-Related Rent Concessions (Amendment to IFRS 16)	1 January 2020

Management have considered the effect of the future changes in accounting standards and do not consider that they will have a significant impact.

Adjusted EBITDA

Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share based payment expense and non-underlying items and is set out in note 6.

Adjusted EBITDA is not a measure recognised under IFRS. The Directors consider that this measure may be helpful to potential investors and so it is shown.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Exceptional administrative expenses

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

Government Grants

Grants are accounted for under the accruals mode. Grants of a revenue nature are recognised in the same period as the related expenditure.

3 Critical accounting judgements and estimates

The preparation of the Group's historical financial information under IFRS as endorsed by the EU requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the statement of financial position date, amounts reported for revenues and expenses during the year, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Notes to the Financial Statements continued

For the year ended 30 September 2020

In preparing the financial statements, the Group has selected and applied various accounting policies which are described in the notes to the financial statements. In order to apply these accounting policies, the Group has made estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Key areas of judgement and estimation uncertainty are disclosed below:

Impairment of investments and intercompany debtors

The subsidiary has sustained losses and the balance sheet is in deficit. This is a potential indicator of impairment. The recoverability of intercompany debtor and the cost of investment is dependent on the future profitability of the entity. No provision for impairment has been made in these accounts and this is a significant judgement.

Research and Development expenditure

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. Historically, no development expenditure has been capitalised, as the amount of total research and development expenditure deemed to meet all the criteria has been immaterial and has therefore been recognised as an expense when it is incurred.

4 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), liquidity risk, credit risk and foreign exchange 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.

(a) Market risk

i. Interest rate risk

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.

The interest rate profile of the Group's borrowings is shown below:

Interest rate profile of interest bearing borrowings

		30 September 2020		30 September 2019
	Debt £	**Interest rate £**	Debt £	Interest rate £
Fixed rate borrowings				
Venture debt	**243,500**	**11.5%**	403,230	11.5%
Weighted average cost of fixed rate borrowing		**11.5%**		11.5%

4 Financial risk management (continued)

(b) Liquidity risk

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

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

	30 September 2020	30 September 2019
Less than one year	**179,098**	159,730
One to two years	**64,402**	179,098
Two to five years	**–**	64,402
	243,500	403,230

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 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 plans;
- 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.

(c) 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 debt bad 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.

(d) Foreign currency risk

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.

Notes to the Financial Statements continued

For the year ended 30 September 2020

5 Revenue and segmental reporting

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

	Year ended 30 September 2020 £	As restated Year ended 30 September 2019 £
United Kingdom	**808,412**	928,733
Rest of Europe	**1,823,246**	1,624,195
United States	**1,259,360**	2,029,839
Rest of the World	**189,564**	176,305
	4,080,582	4,759,072

The Group has one customer that represented more than 10 percent of revenue in either 2020 or 2019 as detailed below:

	Year ended 30 September 2020 £	Year ended 30 September 2019 £
Customer 1	**623,091**	603,755

The Group has two main revenue streams in each of the years presented, as detailed below:

	Year ended 30 September 2020 £	As restated Year ended 30 September 2019 £
Licence	**3,737,932**	4,027,129
Services	**342,650**	731,943
	4,080,582	4,759,072

All revenue is recognised is in relation to contracts held with customers. Amounts of revenue recognised in the period that was included as a contract liability balance at the beginning of the previous period was £1,499,023.

Invoices for licence income are issued annually in advance arising to deferred income as the performance obligation has not yet been satisfied. Services income relates to prepaid, part upfront/part upon completion & others linked to key milestones set out in contracts. This arises to deferred income and increase in debtors for performance obligation met but not yet invoiced.

5 Revenue and segmental reporting (continued)

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 consumed. The services performance obligations vary and contract value is recognised over the duration of each project. All warranties are included within the subscription agreements with each client.

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

6 Adjusted EBITDA

	Year ended 30 September 2020 £	As restated Year ended 30 September 2019 £
Operating loss	**(2,324,431)**	(4,270,968)
Add back:		
Depreciation, impairment and profit/loss on disposal	**331,924**	105,977
Share based payment expense	**–**	–
Non-underlying items	**176,095**	114,300
Adjusted EBITDA	**(1,816,412)**	(4,050,691)

7 Loss on ordinary activities before taxation

Profit or loss before taxation is arrived at after:

	Year ended 30 September 2020 £	Year ended 30 September 2019 £
Depreciation of property, plant and equipment	**221,912**	106,233
(Loss)/Profit on disposal of fixed assets	**8,750**	(256)
Auditor's remuneration (note 8)	**45,700**	73,332
Loss/(profit) on foreign exchange transactions	**75,010**	(175,857)
Research and development expenditure	**628,210**	917,455
Impairment of intangible	**110,011**	–
Bad debt expense	**68,338**	14,431

Government grants amounting to £244,656 were received during the period under the Coronavirus Job Retention Scheme. The bad debt expense is recognised as part of administrative expenses.

Notes to the Financial Statements continued

For the year ended 30 September 2020

8 Auditor's remuneration

	Year ended 30 September 2020 £	As restated Year ended 30 September 2019 £
Fee payable to the company's auditors and its associates for the audit of consolidated financial statements	**45,700**	46,700
Fee payable to the company's auditors and its associates for other services:		
Corporate finance		–
Taxation services	**–**	7,250
Other services	**–**	19,382
	45,700	73,332

9 Directors and employees

	Year ended 30 September 2020 £	Year ended 30 September 2019 £
Wages and salaries	**3,843,110**	4,745,415
Social security costs	**424,403**	545,039
Other pension costs	**148,981**	134,368
Share based payment expense	**–**	–
	4,416,493	5,424,822

The average number of employees during the year was:

	2020 Number	2019 Number
Senior Management	**9**	9
Development global services and other	**57**	76
	66	85

At 30 September 2020 the group had 46 FTE's (FY19: 90).

9 Directors and employees (continued)

Details of emoluments (including pension) paid to the key management personnel are as follows:

	Year ended 30 September 2020 £	Year ended 30 September 2019 £
Total emoluments paid to:		
Directors		
Salaries and fees	**338,125**	569,914
Post-employment benefits	**22,718**	23,196
Share based payment expense	**–**	–
	360,843	593,110
Key management personnel including directors		
Salaries and fees	**869,581**	1,153,030
Post-employment benefits	**52,897**	39,424
Share based payment expense	**–**	–
	922,478	1,192,454

Remuneration disclosed above include the following amounts paid to the highest paid directors:

Remuneration for qualifying services	**169,879**	181,250

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019: 2).

10 Finance costs

	Year ended 30 September 2020 £	Year ended 30 September 2019 £
Finance lease interest expense	**14,063**	–
On loans and overdrafts	**40,236**	66,838
	54,299	66,838

Notes to the Financial Statements continued

For the year ended 30 September 2020

11 Taxation

	Year ended 30 September 2020 £	As restated Year ended 30 September 2019 £
Domestic current period tax		
UK Corporation tax	**(360,000)**	(400,000)
Adjustment for prior years		–
	(360,000)	(400,000)
Foreign corporation tax		
Foreign corporation tax	**(1,490)**	(1,164)
Adjustments for prior years		–
	(1,490)	(1,164)
Total current tax	**(361,490)**	(401,164)
Factors affecting the tax charge for the period		
Loss before tax	**(2,377,723)**	(4,330,902)
Profit before tax multiplied by standard rate of UK Corporation tax of 19.0% (2019: 19.0%)	**(451,767)**	(822,871)
Effects of:		
Non-deductible expenses	**2,319**	1,648
Adjustments to tax credit in respect of prior years	**–**	–
Surrender R&D for tax credit	**(411,592)**	(205,182)
Deferred tax asset not recognised	**–**	489,784
Restriction of R&D tax credit	**–**	76,854
Depreciation on assets not qualifying for tax allowance	**3,300**	3,327
Effect of change in UK corporation tax rate	**(42,514)**	55,086
Other	**–**	190
Finance lease assets	**(15,270)**	–
Utilisation of tax losses	**554,034**	–
Current tax credit	**(361,490)**	(401,164)

There are no factors to consider in respect of future tax changes.

12 Loss per share

The loss per share has been calculated using the loss for the year and the weighted average number of ordinary shares outstanding during the year, as follows:

	Year ended 30 September 2020 £	Year ended 30 September 2019 £
Loss for the period attributable to equity holders of the company	**(2,034,472)**	(4,035,926)
Weighted average number of ordinary shares	**29,571,605**	29,571,605
Loss per share	**(0.07)**	(0.14)

13 Intangible assets

Group

	Development costs £	Total £
Cost		
At 1 October 2019	618,609	618,609
Additions	628,211	628,211
At 30 September 2019	1,246,820	1,246,820
Amortisation/impairment		
At 1 October 2019	–	–
Charge for the year	(110,011)	(110,011)
At 30 September 2020	**(110,011)**	**(110,011)**
Net book value		
At 30 September 2020	**1,136,808**	**1,136,808**
At 30 September 2019	618,609	618,609

The useful economic life of each of the individual assets is deemed to be 5 years. The additions in the year of £628,211 relate to specific products being developed. These products are deemed to provide future economical benefits to i-nexus global plc.

Notes to the Financial Statements continued

For the year ended 30 September 2020

14 Property, plant and equipment

Group

	Short Leasehold £	Fixtures, fittings & equipment £	Computer equipment £	Motor Vehicle £	Total £
At 1 October 2019	95,328	214,426	546,496	8,750	865,000
Additions	120,552	235	16,707	–	137,494
Disposals	–	–	–	(8,750)	(8,750)
At 30 September 2020	**215,880**	**214,661**	**563,203**	**–**	**993,744**
At 1 October 2019	50,235	136,956	338,678	–	525,869
Charge for the year	97,738	19,098	105,076	–	221,912
On disposals	–	–	–	–	–
At 30 September 2020	**147,973**	**156,054**	**443,754**	**–**	**747,781**
Carrying value					
At 30 September 2020	**67,907**	**58,607**	**119,449**	**–**	**245,963**
At 30 September 2019	45,093	77,470	207,818	8,750	339,131

The figures for the previous period are as follows:

Group

	Short Leasehold £	Fixtures, fittings & equipment £	Computer equipment £	Motor Vehicle £	Total £
At 1 October 2018	95,328	149,493	374,101	–	618,922
Additions	–	64,933	173,357	8,750	247,040
Disposals	–	–	(962)	–	(962)
At 30 September 2019	95,328	214,426	546,496	8,750	865,000
At 1 October 2018	32,865	128,898	257,937	–	419,700
Charge for the year	17,370	8,058	80,805	–	106,233
On disposals	–	–	(64)	–	(64)
At 30 September 2019	50,235	136,956	338,678	–	525,869
Carrying value					
At 30 September 2019	45,093	77,470	207,818	8,750	339,131
At 30 September 2018	62,463	20,595	116,164	–	199,222

The company had no property, plant or equipment during the current or comparative period.

15 Non-current asset investments

	Group £	Company £
Cost		
At 30 September 2020	**–**	**1,654,770**
At 30 September 2019	–	1,654,770
Net book value		
At 30 September 2020	**–**	**1,654,770**
At 30 September 2019	–	1,654,770

Non-current asset investments consist of investments in subsidiaries, measured at cost.

Details of non-current asset investments in equity

Name of entity	Principal activity	Country of Incorporation	% of Ordinary Shares held by parent company	% of Ordinary Shares held by group
i-solutions Global Limited	The development and sale of Enterprise cloud-based software on a software-as-a service (SaaS) basis and professional consultancy services.	England and Wales	100	–
i-nexus (America) Inc	Sale of computer software and associated maintenance, support, software customisation and services.	USA	–	100

i-nexus (America) Inc is owned by i-Solutions Global Limited. The company is included in the list above according to the control exercised over it by i-nexus Global plc. All subsidiaries have prepared their financial statements to 30 September 2020.

There are no restrictions on i-nexus Global plc's ability to access or use the assets and settle the liabilities of subsidiary companies.

Impairment of investments in subsidiaries

The subsidiaries have sustained losses and the balance sheets are in deficit. This is a potential indicator of impairment. The recoverability of intercompany debtors and the cost of investment is dependent on the future profitability of those entities. No provision for impairment has been made in these accounts and this is a significant judgement but one that only affects the parent company and its distributable reserves. It does not affect the group results as the losses of the subsidiaries have been consolidated.

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2020 £	**Profit/(loss) for the year 2020 £**
i-Solutions Global Limited	(7,676,823)	(4,290,968)
i-nexus (America) Inc	(2,319,647)	–

Notes to the Financial Statements continued

For the year ended 30 September 2020

16 Financial instruments

	At 30 September 2020 £	At 30 September 2019 £
Financial assets held at amortised cost	**946,095**	1,405,318
Financial liabilities held at amortised cost	**962,370**	1,461,944
Financial liabilities held at fair value	**–**	56,627

The group's exposure to various risks associated with the financial instruments is discussed in note 4. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

17 Trade and other receivables

	Group	
	At 30 September 2020 £	At 30 September 2019 £
Trade receivables	**534,464**	689,710
Corporation tax receivable	**300,000**	400,000
Other receivables	**298,043**	728,583
	1,132,507	1,818,293

	Company	
	At 30 September 2020 £	At 30 September 2019 £
Other debtors and prepayments	**59,019**	46,478
Prepayments	**6,998**	–
Amounts owed by group undertakings	**7,697,152**	7,855,794
	7,763,169	7,902,272

An analysis of trade receivables is shown below:

	30 days or less £	Between 31 and 60 days £	Between 61 and 90 days £	Over 90 days £	Bad debt provision £	**Total £**
2020	**312,075**	**73,688**	**110,731**	**54,209**	**(16,239)**	**534,464**
2019	635,752	6,373	13,143	48,873	(14,431)	689,710

All opening and close trade debtor balances arise from contracts with customers. All other receivables outside of general terms of business are immaterial to the Group and within the Company.

18 Cash and cash equivalents

	Group	
	At 30 September 2020 £	At 30 September 2019 £
Cash at bank and in hand	**120,011**	1,533,323
	120,011	1,533,323

	Company	
	At 30 September 2020 £	At 30 September 2019 £
Cash at bank and in hand	**226**	66,831
	226	66,831

19 Trade and other payables (current)

	Group	
	At 30 September 2020 £	At 30 September 2019 £
Trade payables	**378,434**	444,660
Taxes and social security costs	**488,622**	155,239
Other creditors and accruals	**372,553**	342,311
	1,239,609	942,210

	At 30 September 2020 £	At 30 September 2019 £
Deferred income	**1,723,661**	1,541,109
	1,723,661	1,541,109

All opening and closing deferred income relate to contracts with customers. The increase in deferred income in the period relates to multiple year contracts being recognised on an equal basis opposed to the billing. The closing deferred income balance will be recognised in full during the next 12 months.

Notes to the Financial Statements continued

For the year ended 30 September 2020

	Company	
	At 30 September 2020 £	At 30 September 2019 £
Trade payables	**16,793**	42,930
Taxes and social security costs	**7,796**	3,386
Accruals and other creditors	**86,756**	43,807
	111,345	90,123

Trade payables are non-interest bearing and are normally settled on 60 day terms. The Group has a financial risk management policy in place to ensure that all payables are paid within the pre-agreed credit terms. Included within Other creditors and accruals are outstanding pension contributions payable of £53,192.

20 Borrowings

	Group	
	At 30 September 2020 £	At 30 September 2019 £
Current		
Venture debt	**179,098**	159,730
	179,098	159,730
Non-current		
Venture debt	**64,402**	243,500
	64,402	243,500
Total borrowings	**243,500**	403,230

Venture debt

The venture debt is secured by way of a fixed and floating charges over the title of all assets held by i-Solutions Global Limited.

The Group borrowings are repayable as follows:

		As restated
	At 30 September 2020 £	At 30 September 2019 £
Within 1 year	**179,098**	159,730
Between 1 year and 2 years	**64,402**	179,098
Between 2 years and 5 years	**–**	64,402
	243,500	403,230

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

Venture debt

The venture debt has a fixed interest rate of the higher of 11.5 per cent. per annum or LIBOR plus 8 per cent. per annum.

21 Provisions

	Group Leasehold dilapidations £
At 1 October 2019	80,702
Release of provision	–
At 30 September 2020	**80,702**
Due within one year	80,702
Due after more than one year	–
	80,702

The provision relates to the estimated cost of returning leasehold properties to their original state at the end of the lease in accordance with the lease terms. The cost is recognised as depreciation of leasehold improvements over the remaining term of the lease. There are no provisions in the company balance sheet at 30 September 2020.

22 Leases

Depreciation charged on right-of-use is disclosed below.

Interest charges relating to lease liabilities are disclosed in note 10.

The weighted average incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position at the date of initial application was 3%.

The carrying value of right-of-use assets on 30 September 2020 is broken down as follows:

	Right of use Short leasehold £	Total £
At 1 October 2019	–	–
Additions	120,552	120,552
Disposals	–	–
At 30 September 2020	**120,552**	**120,552**
Accumulated depreciation and impairment		
At 1 October 2019	–	–
Charge for the year	80,368	80,368
Eliminated on disposal	–	–
At 30 September 2020	**80,368**	**80,368**
At 30 September 2020	**40,184**	**40,184**
At 30 September 2019	–	–

Notes to the Financial Statements continued

For the year ended 30 September 2020

Lease liabilities in relation to right-of-use assets are included within trade and other payables and fall due as follows:

	2020 **£**
Due within 1 year	**37,467**

Reconciliation of new standards adopted in the financial year

Reconciliation of loss for the financial period

	Notes	2019 £
Loss as previously reported		(3,929,738)
Effect of new standards adopted in the financial year		
Adoption of IFRS 16	a	2,717
Loss as restated		(3,927,021)

Notes to reconciliations

a) Adoption of IFRS 16

In the current financial year, the Group has adopted IFRS 16 Leases. The Group has elected to apply the modified retrospective method.

On application of IFRS 16, some changes in accounting policy resulted principally in the recognition of a right-to-use asset in tangible fixed assets for a carrying value of £40,184 and a lease liability measured at the present value of minimum future lease payments.

Furthermore, a depreciation charge of £80,368 and an interest expense relating to the lease liability of £14,037 have been recognised.

The total cash outflow during the period in respect to the lease liability recognised is £89,000.

Reconciliation from operating lease to IFRS16

	£
Operating lease commitments at 30 September 2019	122,861
Less: Short-term leases not recognised as a liability	–
Less: Low-value leases not recognised as a liability	(2,309)
Lease liability recognised as at 1 October 2019	120,552

23 Share capital

	Group and Company	
	At 30 September 2020 £	At 30 September 2019 £
Authorised, allotted, called up and fully paid		
29,571,605 Ordinary shares of £0.10 each	**2,957,161**	2,957,161
	2,957,161	2,957,161

Fully paid shares, which have a par value of £0.10, carry one vote per share and carry rights to a dividend.

24 Financial commitments

There were no capital commitments at 30 September 2020 or 30 September 2019.

25 Related parties

At 30 September 2020 loans amounting to £0 were due to shareholders and directors of the group (30 September 2019: £243,500).

During the year the directors provided unsecured short term loans to the group amounting to £144,500, these were fully repaid at the balance sheet date. Interest was charged at a rate of 0%.

No guarantees have been given or received.

26 Events after the reporting period

On October 19th the company announced that it was proposing to raise in aggregate £1.325 million (before expenses) by way of the issue of Fixed Rate Unsecured Convertible Redeemable Loan Notes with a Conversion price of 10p and a Coupon of 8%. Subsequently £1.325m was received from participating Shareholders.

27 Control

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

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