

Company Registration No. 04294356 (England and Wales)

**i-Solutions Global Limited**

**Annual report and financial statements  
for the year ended 30 September 2019**



## **i-Solutions Global Limited**

### **Company information**

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<b>Directors</b>	Alyson Levett Richard Cunningham Simon Crowther
<b>Company number</b>	04294356
<b>Registered office</b>	i-Nexus Suite George House Herald Avenue Coventry CV5 6UB
<b>Independent auditor</b>	Saffery Champness LLP Suite C, Unex House Bourges Boulevard Peterborough Cambridgeshire PE1 1NG
<b>Business address</b>	i-Nexus Suite George House Herald Avenue Coventry CV5 6UB

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The directors present the strategic report and financial statements for the year ended 30 September 2019.

## **Review of the business**

i-Solutions Global supports some of the largest global companies in running, improving and changing their businesses through the provision of a scalable, enterprise-grade, cloud-based Continuous Improvement ("CI") and Strategy Execution ("SE") software platform. The platform is in use at global blue-chip businesses, predominantly based across the US and Europe, helping customers execute key strategic goals throughout all levels and divisions of their organisations.

Our software supports Hoshin Kanri, a strategy development methodology first introduced in the 1960s in Japan and born out of lean, six sigma and operational improvement theory. Hoshin Kanri (directly translated as "direction execution") is a systematic planning, implementation and review methodology which, when implemented, aims to ensure that the strategic goals of a company are properly communicated to all employees and that they drive progress and action at every level of the business.

Though last year was a year of strategic progress across many fronts, as a result of both internal and external factors, this progress did not translate into the level of overall revenue growth we had originally expected.

What we did see as encouraging, and testament to our strategic focus on Customer Success, was a substantial increase in upsells and cross sells to existing clients as our teams worked with customers to unlock the full potential of i-our SaaS solution. This increase in upsells and cross sells and associated service revenue has helped offset slower than expected new deal conversion and the previously reported customer churn early in the year. The benefits of our platform when deployed effectively within method-mature clients is demonstrated by this increasing adoption at our existing client base.

**Principal risks & uncertainties**

Although the directors seek to minimise the impact of risk factors, the Company is subject to a number, of those most relevant are as follows:

**Customer churn**

The Company has experienced falling revenues in relation to certain customers in the past. The reasons for this are varied and our historical ability to invest in our customers was limited. So whilst the ramp up in investments is seeing benefits Customer churn is still a risk for the Company and could affect the Company's trading and financial position and prospects.

**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 Company's future success and adversely affect its business, prospects and results of operations and financial position.

**The Company may face competition in a rapidly evolving market**

The Company may face an increasing amount of competition in the future as the market expands, making entry to it more attractive. The entry into the market of strong, well-funded competitors, including, but not limited to, in-house systems developed by either internal IT departments or third-party consulting firms/system integrators could have a negative impact on sales volumes or profit margins achieved by the Company in the future.

**Risks relating to growth plans**

The Company's strategy depends upon market acceptance of its solution to support its growth plans. There is a risk that if the i-nexus solution is not accepted by the market as effectively as the Board anticipate, the Company's investment in sales, marketing and development of our solution may exceed revenue growth, which could likewise impact upon the Company's financial position and prospects.

### **Reported revenue**

Revenue was flat at £4.1m (FY18: £4.1m) as both internal and external factors adversely affected our rate of new deal conversion. The Company signed 8 new customers (FY18: 10), all under recurring contracts of at least one year in length, typically paid annually in advance. Upsells in our existing accounts were substantially higher in FY19, having added £35k Monthly Recurring Revenue ("MRR") (FY18: £10k).

This is clearly encouraging and demonstrates a good initial return on our investments in Customer Success, however some exceptional and in part unexpected customer churn largely outweighed this growth, and we exited FY19 with closing MRR of £340k (FY18 exit MRR: £335k).

Revenue from recurring contracted software subscriptions was £3.5m (FY18: £3.4m) and from associated professional services was £0.6m (FY18: £0.7m). After a sound start to the year in terms of professional services billing, this also weakened in the second half, due to the lack of new deals, giving us the opportunity to invest resource in developing relationships with potential Channel Partners and existing accounts.

### **Gross Margin**

Gross margin in the year was £3.5m, or 86% (FY18: £3.1m, or 77%) after accounting for commission payable to the Company's business partners. This improvement in margin demonstrates the results of our investment program, as anticipated. Reported gross margin is the combined gross margin over both recurring software subscriptions and professional services.

### **Overheads**

Overhead (defined as the aggregate of staff costs, other operating expenses but excluding those costs included in cost of sale, depreciation of tangible assets and amortisation of intangible assets, and share based payment charges) increased in the year from £3.5m to £7.2m. We have managed working capital in the light of weaker sales delivery to protect our cash position and overall P&L result and so far, savings to our originally projected investment plan have been made without jeopardising our overall strategy for future growth. Included in these overheads was £0.1m of non-recurring administrative expenses. Interest expense at £67k is down on the previous year as debt has been repaid.

Capitalised development costs amounted to £0.6m in the year. The additional development capacity is contributing to the Company's products marketability and the product enhancements made recently are strategically important to us and our current customers and prospects.

Loss before taxation rose from £0.6m in FY18 to £3.9m, a result that reflects the rate of investments made. At this critical stage in i-Solutions' growth, the investment has been necessary to fuel our ambition to become the leading enterprise software provider in the Strategy Execution market.

### **Cash Flow**

The Group has cash & cash equivalents at the period end of £1.4m (2018: £6.9m). Gross debt at 30 September was £0.4m of which £0.2m was payable within one year.

The Company 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.

Careful cash management will continue to be a priority focus for management and the Board for the foreseeable future. We regularly undertake scenario planning and create contingency plans accordingly.

### **Capital expenditure**

The Company operates an asset light strategy and has low capital requirements, therefore expenditure on tangible fixed assets is low at 6% of revenue (2018: 4%).

## **Our products**

In FY19 we have been investing in simplifying the input of data for these occasional users, and ensuring executives can easily collate and reproduce that data in a concise way in order to extract value and insights for the organisation. This has led to the launch of two new products to go alongside our Workbench product; Pulse, which simplifies data entry and Advisor, which offers executive users' valuable insights into both the outcomes of the business efforts and the potential effectiveness of their plan. Initial customer feedback has been positive.

We will continue to improve the functionality of these products and a particular focus in FY20 is what we are calling 'Strategic Intelligence'; a further development and enhancement of the Advisor solution.

A fundamental by-product of using our solution is the large data set built by our customers, both from an operational excellence and a strategy execution perspective. The ultimate value that we can unlock for our customers will be the operational and strategic insights that can be derived from these large data sets and the benchmarking data that we can provide. We have started to work with academics to explore this longer-term opportunity. The future will be all about the data.

We have continued to develop relationships with potential channel partners, which is a critical adjunct to our direct sales capabilities. New partners are typically specialist operational excellence and strategy execution consulting firms looking to digitalise their current manual implementations. Across the sector, partners have acknowledged the need for such digitalisation if customers are to realise the true benefits of their operational excellence and strategy execution programmes, also recognising that manual implementation of complex, growing OE and SE programmes is unsustainable. What is positive is that these consulting firms are actively seeking us out, in search of a digital solution to offer their customers to differentiate them within their competitive landscape. This was a significant change in FY19 that we are looking to capitalise on. The challenge is to persuade partners and customers to move from predominantly in-house developed solutions. Although early days, these relationships are leading to opportunities for us with mature operational excellence and strategy execution customers who recognise the challenges of in-house implementation platforms.

## **Our people**

Our people are pivotal in driving us forwards and delivering on our goals. We have invested substantially in new employees this year to support our core strategies and to build out the structures and departments needed by i-nexus going forward. Our employee numbers have increased from 60 at the end of FY18 to 84 as at 30 September 2019. This growth has been tempered in the light of our rate of sales delivery; and the Board has always and continues to consider it key to maintain a careful, balanced approach to growing the business and prudent cash management.

### **Looking ahead**

I am excited about the future. While we did not achieve the level of overall revenue growth we had expected in reported period, the new financial year has started satisfactorily. Despite slower than expected progression, we have a stronger platform from which to grow, having created many exciting developments in our product, extended the reach within our existing accounts, improved partner channel relationships and have received great feedback from new and exciting customers.

We are operating in an attractive, global market, with a wide scope of application for the Company's proven technology, and in which the Company is well placed.

With a clear growth strategy, strong leadership, careful cash management, good governance and a significantly modernised product suite, we are well positioned to build on our progress to date.



## **Our Growth Strategy**

Strategy Execution is increasingly recognised as a fundamentally important process at the core of every organisation which only becomes more complex and challenging to manage as the organisation grows. i-Solutions' mission is to be synonymous with Strategy Execution; when organisations talk of delivering on their strategy, they should see i-nexus as a preferred solution.

At i-Solutions we have a well-developed Hoshin Kanri strategic plan, which we have spent the past year executing on. This has been essential for us to deploy growth capital appropriately and carefully manage our own transformation.

The detail of the priorities we have had this year in terms of delivering on these Strategic Objectives are extensive, however I would like to pull out some key highlights that I think frame this year's result.

During FY19 the Company invested significantly in its Sales and Marketing capabilities. Despite this, our new business performance in the year was below our expectations. This is clearly very disappointing, but we remain encouraged and optimistic as to the quality and the development of our pipeline of new customer opportunities. As a result of the lessons learned in FY19, we are constantly reviewing and refining our approach to new business conversion. We believe that our ability to capitalise on the increased quality and volume of opportunities, both within existing and for new accounts, will improve as we implement further enhancements to our go-to-market strategy.

Where we have seen a stronger return on our investment is our reach within existing accounts. A strong team of Customer Success Executives coupled with experienced new Account Executives have made great inroads in both growing our existing account revenue and enhancing the visibility in and knowledge of our existing accounts to help de-risk churn.

We now have 100% coverage across all of our customer accounts established, both in terms of regular senior level interaction and engagement. The introduction of a market leading Success tool means we now have a live dashboard covering a variety of success measures to understand the health of all our accounts. These two things ensure that we have the ability to really understand the health of a deployment both in terms of driving increasing adoption but also the potential risks or early warning signs that could lead to churn or a reduced renewal. Whilst our success in embedding our solutions with customers and driving reduction in churn will only truly be seen in this coming year, we have seen improved adoption across our customer accounts already.

This expanded reach within and improved adoption by customers provides i-nexus with the opportunity to add incremental service and recurring SaaS revenues. During FY19, we benefitted from both upsells and cross sells within a number of our existing accounts, delivering over £35k of additional Monthly Recurring Revenue (MRR), comparing favourably to the previous year (FY18: ~£10k). We are seeing a continuation of this trend so far in FY20.

Driving an innovative approach in Product development has also been a strong focus this year in order to grow our applicability to clients and verticals that we can target.

Following a strategic product review earlier this year, we are pleased to announce that two new products, Pulse and Advisor, have been made available to select customers as beta products. The revised product suite now includes Workbench (historically the company's flagship solution) and the two new products, Pulse and Advisor, both built on a new cloud-native architecture and both designed as mobile-fast applications supporting a range of different devices.

Pulse targets the majority of our users who need to quickly and easily enter updates to metrics and projects. Advisor, on the other hand, provides executives and strategy leaders with real-time visibility through data visualisation into the robustness of strategic plans, delivery of projects against these plans, and the measurable value attributed to the projects towards strategic objectives.

Workbench remains focused on the needs of expert users and practitioners. A major release of Workbench is planned for 1H CY20, introducing a new user experience to match the modern interface introduced in Pulse and Advisor.

On behalf of the board

A handwritten signature in black ink, appearing to read 'S. Crowther', with a horizontal dotted line underneath.

Simon Crowther

**Director**

13/12/19

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**Directors' report**

**For the year ended 30 September 2019**

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The directors present their annual report and financial statements for the year ended 30 September 2019.

**Results and dividends**

The results for the year are set out on page 13.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

**Directors**

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

Alyson Levett

Richard Cunningham

Paul Docherty (Resigned 20 September 2019)

James Davies (Resigned 20 September 2019)

Simon Crowther

**Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to XX day's purchases, based on the average daily amount invoiced by suppliers during the year.

**Auditor**

Saffery Champness LLP have expressed their willingness to continue in office.

**Directors' report (continued)**  
**For the year ended 30 September 2019**

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**Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board-



.....  
Simon Crowther  
**Director**

Date: 13/12/19 .....

**Independent auditor's report**

**To the memberS of i-Solutions Global Limited**

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**Opinion**

We have audited the financial statements of i-Solutions Global Limited (the 'company') for the year ended 30 September 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's* responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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 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.

**Independent auditor's report (continued)**  
**To the memberS of i-Solutions Global Limited**

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**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 our 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

**Responsibilities of directors**

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

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

**Independent auditor's report (continued)**  
**To the memberS of i-Solutions Global Limited**

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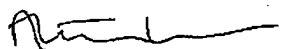
**Auditor's responsibilities for the audit of the financial statements**

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: <http://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.



**Alistair Hunt (Senior Statutory Auditor)**  
**for and on behalf of Saffery Champness LLP**

**Chartered Accountants**  
**Statutory Auditors**

13/12/19

Suite C, Unex House  
Bourges Boulevard  
Peterborough  
Cambridgeshire  
PE1 1NG

**i-Solutions Global Limited**

**Statement of comprehensive income  
For the year ended 30 September 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
<b>Revenue</b>	<b>3</b>	4,078,923	4,066,011
Cost of sales		(588,118)	(932,321)
<b>Gross profit</b>		<u>3,490,805</u>	<u>3,133,690</u>
Administrative expenses		(7,294,683)	(3,594,048)
<b>Operating loss</b>	<b>4</b>	<u>(3,803,878)</u>	<u>(460,358)</u>
Investment income	<b>7</b>	6,904	1,847
Finance costs	<b>8</b>	(66,813)	(123,679)
<b>Loss before taxation</b>		<u>(3,863,787)</u>	<u>(582,190)</u>
Tax on loss	<b>9</b>	400,000	183,426
<b>Loss for the financial year</b>	<b>23</b>	<u><u>(3,463,787)</u></u>	<u><u>(398,764)</u></u>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Currency translation differences		(106,189)	(28,583)
<b>Total items that will not be reclassified to profit or loss</b>		<u>(106,189)</u>	<u>(28,583)</u>
<b>Total other comprehensive income for the year</b>		<u><u>(106,189)</u></u>	<u><u>(28,583)</u></u>
<b>Total comprehensive income for the year</b>		<u><u>(3,569,976)</u></u>	<u><u>(427,347)</u></u>

The income statement has been prepared on the basis that all operations are continuing operations.



**i-Solutions Global Limited**

**Statement of financial position**

**As at 30 September 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
<b>Non-current assets</b>			
Intangible assets	<b>10</b>	618,609	55,011
Property, plant and equipment	<b>11</b>	338,222	199,217
Investments	<b>12</b>	6	6
		<u>956,837</u>	<u>254,234</u>
<b>Current assets</b>			
Trade and other receivables	<b>14</b>	4,332,958	4,450,856
Current tax recoverable		400,000	183,162
Cash and cash equivalents		1,436,599	6,923,689
		<u>6,169,557</u>	<u>11,557,707</u>
<b>Current liabilities</b>			
Borrowings	<b>15</b>	159,730	298,998
Trade and other payables	<b>16</b>	8,632,156	8,992,744
Taxation and social security		151,766	104,945
Deferred income	<b>18</b>	1,252,543	1,755,349
		<u>10,196,195</u>	<u>11,152,036</u>
<b>Net current (liabilities)/assets</b>		<u>(4,026,638)</u>	<u>405,671</u>
<b>Total assets less current liabilities</b>		<u>(3,069,801)</u>	<u>659,905</u>
<b>Non-current liabilities</b>			
Borrowings	<b>15</b>	243,500	403,230
<b>Provisions for liabilities</b>			
Other provisions	<b>17</b>	80,702	80,702
<b>Net (liabilities)/assets</b>		<u><u>(3,394,003)</u></u>	<u><u>175,973</u></u>

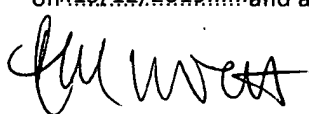
**i-Solutions Global Limited**

**Statement of financial position (continued)**

**As at 30 September 2019**

		<b>2019</b>	<b>2018</b>
	<b>Notes</b>	<b>£</b>	<b>as restated £</b>
<b>Equity</b>			
Called up share capital	<b>20</b>	1,654,770	1,654,770
Share premium account	<b>21</b>	4,185,594	4,185,594
Capital redemption reserve	<b>22</b>	6,468,287	6,468,287
Other reserves	<b>22</b>	(23,538)	(9,508)
Retained earnings	<b>23</b>	(15,679,116)	(12,123,170)
<b>Total equity</b>		<b>(3,394,003)</b>	<b>175,973</b>

The financial statements were approved by the board of directors and authorised for issue on ~~13/12/2019~~ and are signed on its behalf by:



Alyson Levett  
Director



Simon Crowther  
Director

**Company Registration No. 04294356**

i-Solutions Global Limited

Statement of changes in equity  
For the year ended 30 September 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total £
<b>As restated for the period ended 30 September 2018:</b>							
<b>Balance at 1 October 2017</b>		1,417,216	4,086,013	6,468,287	14,124	(11,373,422)	612,218
Effect of new standards adopted in the financial year	<b>28</b>	-	-	-	-	(140,106)	(140,106)
Effect of prior year adjustment	<b>29</b>	-	-	-	-	(235,927)	(235,927)
<b>As restated</b>		1,417,216	4,086,013	6,468,287	14,124	(11,749,455)	236,185
<b>Year ended 30 September 2018:</b>							
Loss for the year		-	-	-	-	(398,764)	(398,764)
Other comprehensive income:							
Currency translation differences		-	-	-	(54)	(28,529)	(28,583)
<b>Total comprehensive income for the year</b>		-	-	-	(54)	(427,293)	(427,347)
Issue of share capital	<b>20</b>	237,554	99,581	-	-	-	337,135
Transfers		-	-	-	(53,578)	53,578	-
Share based payment expense		-	-	-	30,000	-	30,000
<b>Balances at 30 September 2018</b>		1,654,770	4,185,594	6,468,287	(9,508)	(12,123,170)	175,973

i-Solutions Global Limited

Statement of changes in equity (continued)  
For the year ended 30 September 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total £
<b>As restated for the period ended 30 September 2018:</b>							
<b>Year ended 30 September 2019:</b>							
Loss for the year		-	-	-	-	(3,463,787)	(3,463,787)
Other comprehensive income:							
Currency translation differences		-	-	-	(14,030)	(92,159)	(106,189)
Total comprehensive income for the year		-	-	-	(14,030)	(3,555,946)	(3,569,976)
<b>Balances at 30 September 2019</b>		<b>1,654,770</b>	<b>4,185,594</b>	<b>6,468,287</b>	<b>(23,538)</b>	<b>(15,679,116)</b>	<b>(3,394,003)</b>

**1 Accounting policies**

**Company information**

i-Solutions Global Limited is a private company limited by shares incorporated in England and Wales. The registered office is i-Nexus Suite, George House, Herald Avenue, Coventry, CV5 6UB.

**1.1 Accounting convention**

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of i-nexus Global plc. The group accounts of i-nexus Global plc are available to the public and can be obtained as set out in note 26.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

On 1 October 2018 the Company adopted IFRS 9 which replaces IAS 39 'Financial Instruments'. The Company has applied the simplified approach to its trade receivables and contract assets as there are no significant financing components. There were no changes in credit risk since initial recognition and the lifetime expected credit loss rate was not considered to have a material impact on the provisioning values included. The Company adopted the simplified approach under IFRS 9 and current provisioning model used by the Company is deemed to be appropriate and effect of transition did not have a material impact on the financial statements.

On transition to IFRS 9 the Company elected to continue applying the hedge accounting requirements of IAS 39.

There have been no changes in the measurement basis for the Company's financial liabilities as a result of the adoption of IFRS 9.

**1 Accounting policies (continued)**

**1.2 Going concern**

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

The Company 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 Company is exposed, thus creating a number of different scenarios for the Board to challenge. In those cases, where scenarios deplete the Company'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 Company, in order to ensure the continued availability of funds.

As the Company did not have access to bank debt and future funding is reliant on issues of shares in the parent Company, the Board has derived a mitigation plan for the scenarios modelled as part of the going concern review.

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

Accordingly, the Company has continued to adopt the going concern basis in preparing its financial statements for the year ended 30 September 2019.

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2019**

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**1 Accounting policies (continued)**

**1.3 Revenue**

Turnover 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 IAS 18. 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.

**1.4 Intangible assets other than goodwill**

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

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Development costs	5 years
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**Notes to the financial statements (continued)**  
**For the year ended 30 September 2019**

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**1 Accounting policies (continued)**

**1.5 Property, plant and equipment**

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

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

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

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

**1.6 Impairment of tangible and intangible assets**

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

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

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

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

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



**Notes to the financial statements (continued)**

**For the year ended 30 September 2019**

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**1 Accounting policies (continued)**

**1.7 Fair value measurement**

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

**1.8 Cash and cash equivalents**

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

**1.9 Financial assets**

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

***Loans and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

***Impairment of financial assets***

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end date.

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

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2019**

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**1 Accounting policies (continued)**

***Derecognition of financial assets***

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

**1.10 Financial liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

***Other financial liabilities***

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

***Derecognition of financial liabilities***

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

**1.11 Equity instruments**

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

**1.12 Taxation**

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

***Current tax***

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

***Deferred tax***

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. A deferred tax asset will only be recognised if there is sufficient certainty that the company will be profitable in the foreseeable future.

**Notes to the financial statements (continued)**

**For the year ended 30 September 2019**

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**1 Accounting policies (continued)**

**1.13 Provisions**

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

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

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

**1.14 Employee benefits**

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

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

A termination benefit liability is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**1.15 Retirement benefits**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contribution payable to the scheme in respect of the accounting period.

**1.16 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the fair value of the assets at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, less any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**1 Accounting policies (continued)**

**1.17 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account. Financial data of the foreign enterprises are translated using the closing rate / net investment method on consolidation and the exchange difference arising from translation is recorded as a movement in reserves.

**1.18 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.

**2 Critical accounting judgements and key sources of estimation uncertainty**

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

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

**Critical judgements**

**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.

Notes to the financial statements (continued)  
For the year ended 30 September 2019

### 3 Revenue

	2019	2018
	£	as restated £
<b>Revenue analysed by class of business</b>		
Licence	3,487,096	3,351,717
Services	591,827	714,294
	<u>4,078,923</u>	<u>4,066,011</u>
	2019	2018
	£	as restated £
<b>Revenue analysed by geographical market</b>		
United Kingdom	928,733	802,179
Rest of Europe	2,029,839	1,963,760
US	944,046	1,209,635
Rest of the world	176,305	90,437
	<u>4,078,923</u>	<u>4,066,011</u>

All revenue is recognised 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 £1,755,349.

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.

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.

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2019**

**4 Operating loss**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(175,857)	54,832
Research and development costs	917,455	549,212
Fees payable to the company's auditor for the audit of the company's financial statements	42,500	20,000
Depreciation of property, plant and equipment	106,233	53,978
Profit on disposal of property, plant and equipment	(256)	-
	<u>          </u>	<u>          </u>

**Adjusted EBITDA**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>as restated £</b>
Operating loss	(3,803,878)	(460,358)
Add back:		
Depreciation	106,233	53,978
Non-recurring items	101,333	-
Share based payment expense	-	30,000
	<u>          </u>	<u>          </u>
Adjusted EBITDA	<u>(3,596,312)</u>	<u>(376,380)</u>

**5 Employees**

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

	<b>2019</b>	<b>2018</b>
	<b>Number</b>	<b>Number</b>
Senior management	9	8
Development global services and other	75	52
	<u>          </u>	<u>          </u>
	<u>84</u>	<u>60</u>

Notes to the financial statements (continued)

For the year ended 30 September 2019

**5 Employees (continued)**

Their aggregate remuneration comprised:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,683,001	3,251,825
Social security costs	522,654	338,517
Pension costs	132,817	28,620
	<u>5,338,472</u>	<u>3,618,962</u>

The amount recognised in the year for share based payments to employees is £Nil (2018: £30,000).

**6 Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	484,637	581,097
Company pension contributions to defined contribution schemes	21,966	2,931
	<u>506,603</u>	<u>584,028</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 3).

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

Remuneration for qualifying services	<u>181,250</u>	<u>179,796</u>
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The amount recognised in the year for share based payments to directors is £Nil (2018: £27,860).

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2019**

**7 Investment income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	6,904	1,847
	<u>6,904</u>	<u>1,847</u>

Total interest income for financial assets that are not held at fair value through profit or loss is £6,904 (2018 - £1,847).

**8 Finance costs**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on other loans	66,813	123,679
	<u>66,813</u>	<u>123,679</u>

**9 Income tax expense**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	(400,000)	(183,162)
Adjustments in respect of prior periods	-	(264)
	<u>(400,000)</u>	<u>(183,426)</u>
<b>Total UK current tax</b>	<u>(400,000)</u>	<u>(183,426)</u>



## Notes to the financial statements (continued)

For the year ended 30 September 2019

**9 Income tax expense (continued)**

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

	2019	2018
	£	as restated £
Loss before taxation	(3,863,787)	(582,190)
Expected tax credit based on a corporation tax rate of 19.00%	(734,120)	(110,616)
Effect of expenses not deductible in determining taxable profit	1,648	9,839
Change in unrecognised deferred tax assets	468,231	19,225
Adjustment in respect of prior years	-	(264)
Effect of change in UK corporation tax rate	55,086	2,262
Depreciation on assets not qualifying for tax allowances	3,327	1,780
Research and development tax credit	(205,182)	(78,811)
Deferred tax adjustments in respect of prior years	(66,034)	(26,841)
Restriction of research and development tax credit	76,854	-
Other differences	190	-
<b>Taxation credit for the year</b>	<b>(400,000)</b>	<b>(183,426)</b>

**10 Intangible fixed assets**

	Development Costs £
<b>Cost</b>	
At 1 October 2018	55,011
Additions - internally generated	563,598
At 30 September 2019	618,609
<b>Carrying amount</b>	
At 30 September 2019	618,609
At 30 September 2018	55,011

The useful economic life of each of the individual assets is deemed to be 5 years. The additions in the year of £563,598 relate to specific products being developed. These products are deemed to provide future economical benefits to i-Solutions Global Limited.

Notes to the financial statements (continued)  
For the year ended 30 September 2019

**11 Property, plant and equipment**

	Land and buildings Leasehold	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 October 2018	95,328	149,493	365,226	-	610,047
Additions	-	64,933	172,371	8,750	246,054
Disposals	-	-	(962)	-	(962)
At 30 September 2019	95,328	214,426	536,635	8,750	855,139
<b>Accumulated depreciation and impairment</b>					
At 1 October 2018	32,865	128,898	249,067	-	410,830
Charge for the year	17,370	8,058	80,805	-	106,233
Eliminated on disposal	-	-	(146)	-	(146)
At 30 September 2019	50,235	136,956	329,726	-	516,917
<b>Carrying amount</b>					
At 30 September 2019	45,093	77,470	206,909	8,750	338,222
At 30 September 2018	62,463	20,595	116,159	-	199,217

**12 Investments**

	Current 2019 £	2018 £	Non-current 2019 £	2018 £
Investments in subsidiaries	-	-	6	6

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Notes to the financial statements (continued)

For the year ended 30 September 2019

12 Investments (continued)

Movements in non-current investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 October 2018 & 30 September 2019	6
<b>Carrying amount</b>	
At 30 September 2019	6
At 30 September 2018	6

13 Subsidiaries

Details of the company's subsidiaries at 30 September 2019 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
i-nexus (America) Inc	USA	100.00	100.00	Sale of computer software and associated maintenance, support, software customisation and services

Notes to the financial statements (continued)  
For the year ended 30 September 2019

**14 Trade and other receivables**

	2019 £	2018 £
Trade receivables	648,905	985,180
	<u>648,905</u>	<u>985,180</u>
Other receivables	117,072	199,235
VAT recoverable	22,498	91,405
Amounts owed by subsidiary undertakings	2,999,882	2,759,053
Prepayments	544,601	415,983
	<u>4,332,958</u>	<u>4,450,856</u>

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 £
<b>2019</b>	601,320	13,143	1,837	47,036	(14,431)	648,905
<b>2018</b>	552,767	259,829	45,894	149,802	(23,112)	985,180

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Amounts due from subsidiary undertakings are non-interest bearing.

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 Company.

All debtors have performance obligations as per contract to meet before recognising the associated revenue.

**15 Borrowings**

	2019 £	2018 £
Unsecured borrowings at amortised cost		
Venture debt	403,230	702,228
	<u>403,230</u>	<u>702,228</u>

## Notes to the financial statements (continued)

For the year ended 30 September 2019

**15 Borrowings (continued)****Analysis of borrowings**

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2019	2018
	£	£
Current liabilities	159,730	298,998
Non-current liabilities	243,500	403,230
	<u>403,230</u>	<u>702,228</u>

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 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 annum or LIBOR plus 8% per annum.

**16 Trade and other payables**

	Current 2019	2018
	£	£
Trade payables	393,280	376,183
Amount owed to parent undertaking	7,839,491	8,351,494
Accruals	399,385	265,067
	<u>8,632,156</u>	<u>8,992,744</u>

Trade payables are non-interest bearing and are normally settled on 60 days terms. The Company has a financial risk management policy in place to ensure that all payables are paid within the pre-agreed credit terms.

Notes to the financial statements (continued)  
For the year ended 30 September 2019

**17 Provisions for liabilities**

	2019	2018
	£	£
	80,702	80,702
	<u>80,702</u>	<u>80,702</u>
Movements on provisions:		
		£
At 1 October 2018 and 30 September 2019		80,702
		<u>80,702</u>

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.

**18 Deferred income**

	2019	2018
	£	As restated £
Revenue to be recognised within the next 12 months	1,252,543	1,755,349
	<u>1,252,543</u>	<u>1,755,349</u>

All opening and closing deferred income relate to contracts with customers.

The reduction 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.

**19 Defined contribution schemes**

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

The total costs charged to income in respect of defined contribution plans was £132,817 (2018 - £28,620).

**i-Solutions Global Limited****Notes to the financial statements (continued)****For the year ended 30 September 2019**

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<b>20</b>	<b>Share capital</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	<b>Ordinary share capital</b>		
	<b><i>Authorised</i></b>		
	1,654,770 of £1 each	1,654,770	1,654,770
		<u>          </u>	<u>          </u>
	<b><i>Issued and fully paid</i></b>		
	1,654,770 of £1 each	1,654,770	1,654,770
		<u>          </u>	<u>          </u>

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

<b>21</b>	<b>Share premium account</b>	<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
	At beginning of year	4,185,594	4,086,013
	Issue of new shares	-	100,345
	Share issue expenses	-	(764)
		<u>          </u>	<u>          </u>
	At end of year	4,185,594	4,185,594
		<u>          </u>	<u>          </u>

Notes to the financial statements (continued)  
For the year ended 30 September 2019

**22 Other reserves**

	2019 £	2018 £
<b>Capital redemption reserve</b>		
At beginning and end of year	6,468,287	6,468,287
	2019 £	2018 £
<b>Share based payment reserve</b>		
At the beginning of the year	-	23,578
Transfers to retained earnings	-	(53,578)
Share based payment expense	-	30,000
At the end of the year	-	-
	2019 £	2018 £
<b>Foreign exchange reserve</b>		
At the beginning of the year	(9,508)	(9,454)
Other comprehensive income	(14,030)	(54)
At the end of the year	(23,538)	(9,508)

**23 Retained earnings**

	2019 £	2018 £
At the beginning of the year	(11,775,622)	(11,373,422)
Effect of transition	(111,621)	(140,106)
Prior year adjustment	(235,927)	(235,927)
As restated	(12,123,170)	(11,749,455)
Loss for the year	(3,463,787)	(398,764)
Transfer to reserves	14,030	53,632
Other transfers	(106,189)	(28,583)
At the end of the year	(15,679,116)	(12,123,170)



Notes to the financial statements (continued)

For the year ended 30 September 2019

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**24 Operating lease commitments**

**Lessee**

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2019	2018
	£	£
Minimum lease payments under operating leases	122,861	84,842

**25 Related party transactions**

**Remuneration of key management personnel**

The amounts owed in directors' remuneration at the 30 September 2019 amounted to £Nil (2018: £13,140).

No guarantees have been given or received.

**26 Controlling party**

i-Solutions Global Limited is owned by i-nexus Global plc, which owns 100% of the share capital. There is no ultimate controlling party of i-nexus Global plc.

The smallest and largest group into which these financial statements are consolidated is i-nexus Global plc. Copies of consolidated financial statements can be obtained from Companies House.

**27 Events after the reporting period**

There are no events after the reporting period to disclose.

## Notes to the financial statements (continued)

For the year ended 30 September 2019

**28 Reconciliation of new standards adopted in the financial year****Reconciliation of equity**

		<b>1 October 2017</b>	<b>30 September 2018</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Equity as previously reported		612,218	523,521
Adjustments to prior year (note 29)		(235,927)	(235,927)
As restated		<u>376,291</u>	<u>287,594</u>
Effect of new standards adopted in the financial year			
Adoption of IFRS 15	<b>a</b>	(140,106)	(111,621)
Equity as restated		<u>236,185</u>	<u>175,973</u>

**Reconciliation of loss for the financial period**

	<b>Notes</b>	<b>2018 £</b>
Loss as previously reported		(427,249)
Effect of new standards adopted in the financial year		
Adoption of IFRS 15	<b>a</b>	28,485
Loss as restated		<u>(398,764)</u>

**Notes to the financial statements (continued)**  
**For the year ended 30 September 2019**

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**28 Reconciliation of new standards adopted in the financial year (continued)**

**Notes to reconciliations**

**a) Adoption of IFRS 15**

In the current financial year, the Company has adopted IFRS 15 Revenue from Contracts with Customers. The Company has elected to apply the full retrospective method and restate comparative information from prior periods upon adoption of IFRS 15.

The Company has two reportable segments upon which revenue can be categorised. Our core offering is through licence fees, in addition to professional services. The Company has assessed the principal indicators of IFRS 15 and concluded that both the licence fee and the professional services element associated with an initial deployment is one performance obligation.

The core principle of IFRS 15 is that an entity should recognise revenue, to depict the transfer of promised goods or services to customers, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, revenue is recognised when the performance obligation on each contract has been satisfied with the customer. At the outset of each contract, an assessment is completed to determine the relevant performance obligations on each of the contracts. As defined in IFRS 15, performance obligations in a contract are either goods or services that are distinct, or a series of goods or services that are substantially the same. Services which are not distinct, which in the case of the Company relate to setup fees, are combined with other services in the contract until a performance obligation is satisfied.

At the outset of a contract, the transaction price for that particular contract is determined, being the total value, the Company expects to receive for the provision of the relevant goods or service. The transaction price determined is allocated to each performance obligation based on their stand-alone selling price.

One segment of revenue is the subscription our platform. This forms the basis of the monthly recurring revenue which adopts the total contract fee and recognises this across the term of the contract. This allows clients access to our software and is consumed on a month by month basis.

The second revenue stream relates to our professional services, which relate to configuring our platform, writing reports and generic training. The element of professional services which is sold to a new client relating to the configuration of the system will sit as one performance obligation alongside the licence revenue. In essence, the system isn't useable without the configuration taking place and the configuration cannot take place until the licences for the software have been purchased. Therefore, it is deemed that the configuration element of professional services should be recognised in line with the service fee rather than previously recognising 100% of this revenue upfront.

In summary, on application of IFRS 15, some changes in accounting policy resulted principally in the set-up fees charged on contracts, which were previously recognised upfront when the set-up was complete, are now spread over the life of the contract under IFRS 15, impacting revenue and deferred revenue.

Notes to the financial statements (continued)  
For the year ended 30 September 2019

## 29 Prior period adjustment

### Changes to the statement of financial position

Balances as restated before prior period adjustments:	At 30 September 2018			As restated
	Previously reported	Adjustment at 1 Oct 2017	Adjustment at 30 Sep 2018	
	£	£	£	£
<b>Creditors due within one year</b>				
Deferred income	(1,407,801)	(235,927)	-	(1,643,728)
Net assets	(4,110,497)	(235,927)	-	(4,346,424)
	<u></u>	<u></u>	<u></u>	<u></u>
<b>Capital and reserves</b>				
Profit and loss	(11,775,622)	(235,927)	-	(12,011,549)
Total equity	523,521	(235,927)	-	287,594
	<u></u>	<u></u>	<u></u>	<u></u>

### Changes to the income statement

Balances as restated before prior period adjustments:	Period ended 30 September 2018		
	Previously reported	Adjustment	As restated
	£	£	£
Loss for the financial period	(427,249)	-	(427,249)
	<u></u>	<u></u>	<u></u>

### Reconciliation of changes in equity

	Notes	1 October 2017	30 September 2018
		£	£
Equity as previously reported		612,218	523,521
<b>Adjustments to prior year</b>			
Prior period adjustment	a	(235,927)	(235,927)
		<u></u>	<u></u>
Equity as adjusted before effect of new standards adopted		376,291	287,594
		<u></u>	<u></u>

### Reconciliation of changes in loss for the previous financial period

	2018
	£
Loss as previously reported	(427,249)
	<u></u>

**29 Prior period adjustment (continued)**

**Notes to reconciliation**

**a) Prior period adjustment**

During the review of IFRS 15, it was identified that historic error had remained uncorrected over exchange differences between income recognised in the profit and loss account and that deferred in deferred income pre 2017. As a result, deferred income was increased by £235,929 and opening reserves were depleted by £235,929.