



Cordel Group plc (Formerly Maestrano Group plc)

Company number 11098701 (England and Wales)

Annual Report and Financial Statements – 30 June 2022

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CORPORATE DIRECTORY

30 June 2022

Directors	Ian Buddery John Davis Jonathan Macleod Nicholas McInnes Nicholas Smith Robert Lojszczyk Aaron Hoyer	Non-Executive Chairman Independent Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director Executive Director and Chief Executive Officer Executive Director, Company Secretary and Chief Financial Officer Executive Director and Chief Technology Officer
Company number	11098701 (England and Wales)	
Registered office	10 John Street London WC1N 2EB United Kingdom	
Head office	2/2 Frost Drive Mayfield West NSW 2304 Australia	
Share register	Computershare Investor Services plc The Pavilions, Bridgwater Road Bristol BS13 8AE United Kingdom	
Auditor	Oury Clark Herschel House, 58 Herschel Street Slough SL1 1PG United Kingdom	
Solicitors	RBG Legal Services Limited 165 Fleet Street London EC4A 2DY United Kingdom	
Nominated adviser	Strand Hanson Limited 26 Mount Row London W1K 3SQ United Kingdom	
Corporate broker	Arden Partners plc 125 Old Broad Street London EC2N 1AR United Kingdom	
Website	www.cordel.ai	

STRATEGIC REPORT

The Directors present their strategic report on the consolidated entity (referred to hereafter as the 'Group') consisting of Cordel Group plc (referred to hereafter as 'Cordel', 'the Company' or 'the parent entity') and the entities it controlled during, the year ended 30 June 2022.

On the 18th November 2021 the company changed its name via special resolution from Maestrano Group plc to Cordel Group plc.

The strategic report includes the following sections:

1. Company Overview
2. Chairman's statement
3. Review of Operations by the Chief Executive Officer
4. Principal risks and uncertainties
5. People

Cautionary statement regarding forward-looking statements

This document contains certain forward-looking statements. These forward-looking statements include references to matters that are not historical facts or are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industries in which the Group operates. Forward-looking statements are based on the information available to the directors at the time of preparation of this document and will not be updated subsequent to the issue of this document. The directors can give no assurance that these expectations will prove to be correct. Due to inherent uncertainties, including both economic and business risk factors underlying such forward-looking information, actual results may differ materially from those expressed or implied by these forward-looking statements.

Principal activities

Cordel is a United Kingdom ('UK') incorporated software company with operations in Australia (main country of operation), USA and the UK. Cordel offers a patented, cloud-based platform for master data management and specialist hardware and software for capturing, analysing and reporting on large datasets within the transport sector, employing sophisticated artificial intelligence algorithms.

STRATEGIC REPORT (continued)

1. COMPANY OVERVIEW

Cordel's specialist hardware and cloud-based platforms, used primarily in the rail and road infrastructure, capture data and turn it into actionable insights to help manage vital assets, improving safety and efficiency while reducing costs and emissions.

The Cordel Group operates subsidiaries in the UK, Australia and the USA, under the brands Cordel and Nextcore. These deliver, respectively, products and services for rail and road asset management and drone-based LiDAR (Light Detection And Ranging) systems. The Group's former Aightsight brand was absorbed into Cordel in June 2022.

The Group is a leader in infrastructure monitoring through automation and machine learning. The flagship Cordel solution is focused on the rail industry, predicting and identifying maintenance needs including issues with vegetation, overhead lines and track ballast. The solution utilises LiDAR sensors and high resolution video cameras, attached to trains and track maintenance vehicles, to automate the collection of infrastructure data at survey-grade accuracy. It then employs Artificial Intelligence to analyse the huge datasets, providing insights and recommending actions in near real time.

Cordel is seeking to establish a strong business in rail before expanding into road and energy infrastructure. The Group has key 'anchor' customers for Cordel in the Australian Rail Track Corporation (ARTC) and Network Rail in the UK and a growing channel and customer base for Nextcore.

The Market

The markets for Cordel and Nextcore, which are large in size and global in extent, today include the UK, Australia, Japan, Canada and the USA.

Cordel

Managing infrastructure assets is a component of the overall smart transportation market, which is projected to grow strongly. Grand View Research in its Smart Transportation Market Size report, published in 2021, estimates that the market was over US\$101 billion in 2021 and set to grow at a CAGR of over 12.6% to reach US\$285 billion by 2030. Within this, Technavio is also reporting strong growth in the railway management system market, reaching US\$21 billion at 8.5% CAGR between 2021 and 2026 (Technavio Report, April 2022).

The Cordel offering is a recent entrant into this growth environment and aims to take market share away from older, less effective approaches to asset infrastructure monitoring, as well as take advantage of new budgets being allocated, as innovation-oriented spend grows within the ongoing market expansion.

Cordel is well positioned within its markets with a differentiated offering. It provides a wider range of analytic outputs than alternative services and can monitor and analyse infrastructure faster, more often and at lower cost, due to the high levels of automation inherent in its design.

Nextcore

The LiDAR drone market is projected to grow from US\$133 million in 2020 to US\$392 million by 2025, at a CAGR of 24.2%. (Markets, January 2020).

Key factors fuelling the growth include easing of regulations related to the use of commercial drones in different applications and growing demand for LiDAR equipped drones for use in asset infrastructure monitoring, mapping, precision agriculture and related applications.

STRATEGIC REPORT (continued)

The market for Nextcore within these strong overall trends is based on certain discrete use cases and is harder to quantify specifically. The specific use cases do have wide global applicability and given the price points per device achievable, the effective available market is assumed to be a significant multiple of US \$millions.

STRATEGIC REPORT (continued)

2. CHAIRMAN'S STATEMENT

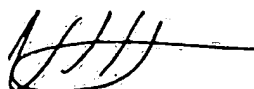
After a challenging year where the first half saw customer projects delayed, impacting revenue, we were pleased to see a recovery in the second half and overall revenue growth of 34% for the full year.

The UK and Australian markets continue to embrace our solutions and we are making steady progress in the USA, where successful pilots are transitioning to contracts. We are reassured by customer feedback that attests to our technology advantage, low deployment cost and rapid processing times.

We continue to carefully manage expenditures, and despite an overall cash reduction from the prior year the net cash position in the final quarter improved slightly from the prior quarter. Investment continues in product development, much of which is focused on increasing automation to further improve our competitive position and margins. We regularly review our structure and cost base to ensure that our core mission of data capture and machine learning analysis is foremost.

As always, the Board is grateful for the dedication and hard work of our people in the UK, United States and Australia. We have a great team who are committed to customers and the company.

Our purpose is to build a strong and resilient business, growing shareholder value through the consistent achievement of business plan targets and the expansion of our recurring revenue customer base. We have confidence in the long-term outlook and we thank our shareholders for their continuing support.



Ian Buddery
Chairman
14 October 2022

STRATEGIC REPORT (continued)

3. REVIEW OF OPERATIONS BY THE CHIEF EXECUTIVE OFFICER

Building on momentum from FY21 (financial year ended 30 June 2021), we enjoyed increasing engagement with our target markets in FY22 (financial year ended 30 June 2022), however customer decision timeframes were unusually stretched out, impacting revenue. A stronger second half led to an overall 34% revenue growth, but importantly we now hold a sizeable sales pipeline resulting from the decision backlog.

Major wins during the year included the 6.5 year UK National Gauging Database project with Network Rail, the 2,000 Km One Rail Australia ballast profiling project and the Southeastern Pennsylvania Transportation Authority (SEPTA) project via our partnership with Holland LP. After the FY22 year closed, we announced a new contract with Angel Trains in the UK, whereby our LiDAR scanners will roll out across their fleet, the first example of our vision of all trains capturing track LiDAR and imagery all of the time.

Overview of results

GBP 000's	Twelve months to 30 June 2022	Twelve months to 30 June 2021	% Change	% Change constant currency
Total Revenue	2,273	1,690	34%	33%
Cost of sales	775	649	19%	10%
Other expenses excluding cost of sales	3,300	2,887	14%	17%
Grant Income	597	617	-3%	-9%
Other income	-	7	-100%	-100%
Loss before Income tax	(1,205)	(1,222)	-1%	-2%

Gross margin improved by 38% and expense growth in constant currency was well less than half of the revenue growth. As we increase the volume of rail miles captured and analysed, margins will continue to improve

Strategy

Our plan for the financial year FY22 was focused on achieving growth with existing and new customers in our key markets of the UK, United States and Australia, allied with investing time and effort to expand our partner channel. In FY23 this focus will continue. More track miles under management and more products provided to each customer results in organic account led growth, in turn leading to margin improvement. Furthermore, higher numbers of scanners running continuously upon a greater number of trains will result in a greater proportion of future revenues being of a recurring nature.

Ongoing Cordel product development will expand processing and capability across data capture, data processing and insights generated. The nature of the machine learning approach means our offering is in a state of perpetual self-improvement, a virtuous circle in which the datasets added from each new customer and application refine our solution's knowledge base and recommended actions.

We were pleased with the industry response to our new generation Nextcore Lumos scanners and, while we were inhibited by component supply chain issues in the first half, we were able to ship 12 units in the second half.

STRATEGIC REPORT (continued)

Key Performance Indicators

The company monitors its performance through the use of key performance indicators:

	FY22	FY21	FY20
Sales GBP million	2.273	1.690	0.872
% Increase on FY20	160.7%		
% Increase on FY21	34.5%		
Gross Profit	1.498	1.041	0.537
% Increase on FY20	178.9%		
% Increase on FY21	43.9%		

Ongoing operations

As of 30 June 2022, the Company had cash of £3339,665 and receivables of £640,598.

The Company operates from offices in Newcastle, Australia while staff in the UK and USA work from home offices, a model which has become widely accepted in the technology industry following the Covid-19 pandemic. The Company will recruit new employees as part of expanding the business and management will focus on motivating a strong and committed team whilst ensuring efficient and careful use of available resources.

We will ensure effective global communications across time zones by using communications technology particularly video conferencing. Ensuring alignment across functional teams will be critical and we will work hard to preserve and enhance the current culture of energy, hard work, commitment, enjoyment and fulfillment. We have deployed robust systems and processes for financial management, customer support and product development management, in preparation for scaling the Company.

Outlook

We are confident of continuing our current growth trend in FY23, acquiring new customers and providing new services to our existing customer base. We look forward to delivering growth in value for our shareholders.



Nicholas Smith
Chief Executive Officer

14 October 2022

STRATEGIC REPORT (continued)

4. PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Group's growth strategies are subject to a number of risks which could adversely affect the Group's future development. The following is not an exhaustive list or explanation of all risks and uncertainties associated with the Group but those considered by management to be the principal risks:

Risks relating to the Group and the industry in which it operates:

Dependence on major clients

The Group's future growth relies on new sales to rail and road network owners in multiple countries. These owners typically have complex procurement arrangements which include product trials and competitive tenders. This risk is mitigated by the Group's plan to enter into reseller agreements with Engineering Consulting firms, who will in effect become the clients.

Business strategy

Although the Group has a clearly defined strategy, there can be no guarantee that its objectives will be achieved or that the Group will achieve the level of success that the Company's directors expect. Therefore, the Group may decide to change aspects of its strategy as needed. The Group's ability to implement its business strategy successfully may be adversely impacted by factors that the Group cannot currently foresee, such as unanticipated market forces, costs and expenses or technological factors. Should it be unsuccessful in implementing its strategy or should it take longer than expected to implement, the future financial results of the Group could be negatively impacted. This risk is mitigated by the continual review of the business performance to its plan and that changes are made to ensure the Group has sufficient liquidity to pursue its current plan.

Technological changes

Generally, product markets are exposed to rapid technological change, changes in use, changes to customer requirements and preferences; and services employing new technologies and the emergence of new industry standards and practices. The Group operates in a market with such changes which have the potential to render the Group's existing technology and products competitively impaired.

To successfully remain competitive, the Group will ensure continued product improvement and the development of new markets and capabilities to maintain a pace congruent with changing technology. This added strain may stretch the Group's capital resources which may adversely impact the revenues and profitability of the Group. The Group's success is dependent on the ability to effectively respond and adapt to technological changes and changes to customer preferences. There can be no assurance that the Group will be able to effectively anticipate future technological changes or changes in customer preferences. Furthermore, there is also no assurance that the Group will have sufficient financial resources to effectively respond in a timely manner if such a change is anticipated.

Competition

There is no guarantee against new entrants or current competitors providing superior technologies, products or services to the market. There is no certainty that new entrants or current competitors will not provide equivalent products for a lower price. The Group may be forced to make changes to one or more of its products or to its pricing strategy to effectively respond to changes in customer preferences in order to remain competitive. This may impact negatively on the Group's financial performance. The Group will continue to review its competitive position and adjust its business plan to maintain relevance to its customers' requirements.

STRATEGIC REPORT (continued)

Inability to contract with customers on the most favourable terms to the Group

The Group contracts with a wide variety of companies and partners, many of which are in strong negotiating positions and have greater financial resources than the Group. The Group may in the future have limited scope for negotiation of the price or contract terms with some of its major clients.

The Group's software may not perform as expected and the Group could be at risk of defects which adversely affect its customers

There is no guarantee that the Group's platforms will perform as intended. Costs spent on developing the Platform may therefore not be recouped and this may result in reduced profitability for the Group. As the Group's platforms are complex, they may contain defects or vulnerabilities which may not be detected until after its deployment to major customers. To mitigate this risk the Group has implemented applicable internal code review and testing processes. The software is then subject to customer acceptance testing and an ongoing high level of technical support.

Data security and data privacy

The Group is subject to data and privacy regulations, particularly General Data Protection Regulation ('GDPR'). Failure to comply with legal or regulatory requirements relating to data security or data privacy in the course of the Group business activities, results in reputational damage, fines or other adverse consequences, including criminal penalties and consequential litigation, adverse impact on the Group's financial results or unfavourable effects on the Group's ability to do business. To mitigate this risk the Group has implemented policies and processes to ensure data is held securely and privacy is maintained.

Dependence on key executives and personnel

The Group is dependent on a small number of key executives. In addition, the future performance of the Group will, to some extent, be dependent on its ability to retain the services and personal connections or contacts of key executives and to attract, recruit, motivate and retain other suitably skilled, qualified and industry experienced personnel to form a high calibre management team. Such key executives are expected to play an important role in the development and growth of the Group in particular, by maintaining good business relationships with regulatory and governmental departments and essential partners, contractors and suppliers. The failure to appoint or retain such people could adversely affect the Group.

Ability to recruit and retain skilled personnel

The Group believes that it has the appropriate incentive structures to attract and retain the calibre of employees necessary to ensure the efficient management and development of the Group. However, any difficulties encountered in hiring appropriate employees and the failure to do so, or a change in market conditions that renders current incentive structures ineffective, may have a detrimental effect upon the trading performance of the Group. The ability to attract new employees with the appropriate expertise and skills cannot be guaranteed.

Financial controls and internal reporting procedures

The Group's future growth and prospects will depend on its ability to manage growth and to continue to maintain, expand and improve operational, financial and management information systems on a timely basis, whilst at the same time maintaining effective cost controls. Any damage to, failure of or inability to maintain, expand and upgrade effective operational, financial and management information systems and internal controls in line with the Group's growth, could have a material adverse effect on the Group's business, financial condition and results of operations. The Group mitigates this through the implementation of internal controls as well as the review of monthly financial performance by the Board.

STRATEGIC REPORT (continued)

Economic uncertainty

Any economic downturn either globally or locally in any area in which the Group operates may have an adverse effect on demand for the Group's products. A more prolonged downturn may lead to an overall decline in sales. Economic uncertainty might have an adverse impact on the Group's operations and business results. To mitigate this risk the Group will monitor both the Group's performance and general market conditions on a monthly basis. The Group will also maintain adequate liquidity to sustain short term fluctuations in market conditions.

Covid -19

During the financial year, Covid-19 has had minimal impact on the operations and revenue growth of the business. Corridor Holdings Pty Ltd has received benefits from the Australian Commonwealth Government, with respect to Job Keeper and the Economic Boost, and New South Wales Government in relation to payroll tax. Staff have been able to effectively work from home during the different phases of the pandemic with minimal impact on productivity and product delivery. Procedures have been put in place to ensure the safety of staff upon return to the office. Despite travel restrictions to local and overseas conferences, teleconferencing has been an effective tool in continuing to market the product range. Some supply chain problems have been encountered, however alternative suppliers and increased inventory holdings have mitigated business impact.

5. PEOPLE

Equal opportunity

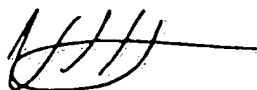
The Group is committed to an active equal opportunities policy. It is the Group's policy to promote an environment free from discrimination, harassment and victimisation, where everyone receives equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. Employment practices are applied which are fair, equitable and consistent with the skills and abilities of the employees and the needs of the Group.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate re-training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Ian Buddery
Chairman

14 October 2022

CORPORATE GOVERNANCE

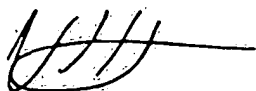
The Directors acknowledge the importance of high standards of corporate governance and intend, given the Group's size and the constitution of the Board, to comply with the principles set out in the QCA Corporate Governance Code published by the Quoted Companies Alliance in April 2019 (the 'QCA Code') and, where it does not comply with any of its recommendations, to explain the reasons therefor.

In the Board's opinion, the Group currently complies with the ten principles of the QCA Code which, together, are designed to deliver growth, maintain a dynamic management framework and build trust. As the Group expands, the Board will review its corporate governance framework and will consider adoption of additional principles and practices including from the UK Corporate Governance Code 2018 published by the Financial Reporting Council (the 'UK Corporate Governance Code').

Read more in our Corporate Governance Statement of Compliance with the QCA Corporate Governance Code at the following website link:

<https://Cordel.com/wp-content/uploads/2021/09/Cordel-Statement-of-QCA-compliance-2021.pdf>

On behalf of the Directors



Ian Buddery
Chairman

14 October 2022

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Cordel Group plc (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled during the year ended 30 June 2022.

Directors

The following persons were Directors of Cordel Group plc up to the date of this report, unless otherwise stated:

Ian Buddery	Non-Executive Chairman
Nicholas Smith	Executive Director and Chief Executive Officer
John Davis	Independent Non-Executive Director
Jonathan Macleod	Independent Non-Executive Director
Nicholas McInnes	Independent Non-Executive Director
Robert Lojczyk	Executive Director and Chief Financial Officer
Aaron Hoye	Executive Director and Chief Technology Officer
<i>(appointed as director on 14 April 2022)</i>	

Ian Buddery, aged 65 – Non-Executive Chairman

Ian has extensive public company experience and a long background in the telecommunications and financial services industries in both international and local markets. Ian has founded multiple companies; obtained venture capital and angel funding, performed two IPOs, six acquisitions and two significant trade sales. Ian was the founder, CEO and Executive Chair of eServGlobal, founded in 1991 and listed on the Australian Securities Exchange ('ASX') in 2000 and the AIM in 2004. (LSE: ESG).

Ian was appointed a Director of Cordel Group plc Ltd in October 2013.

Nicholas Smith, aged 37 – Executive Director and Chief Executive Officer

Results focused with an outstanding record of founding, growing and scaling technical businesses, Nicholas has a demonstrated ability to lead and manage geographically dispersed teams while maintaining the culture of the organisation. He has strong strategic business development attributes with the ability to build a loyal following through the practice of strong technical awareness and open communication.

Nicholas was appointed as Chief Executive Officer on 1 February 2021. Nicholas was previously Vice President Sales and Executive Director of Cordel Group plc being appointed on 6 November 2019.

John Davis, aged 52 – Independent Non-Executive Director

John has been working with banks and SMBs for more than 20 years. Based in London, John was the Marketing and Product Director for Barclays Business from 2005-2010 before setting out on an entrepreneurial career as the co-owner and Managing Director of Business Centric Services Group Limited, an award winning, high growth business, helping banks and telecommunication companies to enhance their digital engagement with and propositions for small and medium sized businesses. He also acted as Chair and co-owner of two other London based FinTech start-ups. John completed the sales of all three of these companies during 2016 and 2018.

Jonathan Macleod, aged 65 – Independent Non-Executive Director

Jonathan is a practising Chartered Accountant and Financial Adviser with over 30 years of experience in the Financial Services and Software industries in both NZ and Australia. He has held senior executive positions within the National Bank of NZ and Rabobank Australia/NZ. Jonathan was the Chief Financial Officer of ASX listed company eServGlobal from 2008 to 2010.

DIRECTORS' REPORT (continued)

Nicholas McInnes, aged 68 - Independent Non-Executive Director

Nicholas McInnes has been a United Kingdom diplomat through much of his career, focusing on international trade and investment in such key positions as the British Consul General, Sydney and Director General Trade & Investment for Australia and New Zealand; and Director Trade & Investment USA and Deputy Consul General New York.

Nicholas was appointed to the Board of Cordel Group plc on 13 March 2020.

Robert Lojszczyk, aged 65 – Executive Director, Chief Financial Officer and Company Secretary

Robert is a widely experienced senior finance executive with a blue chip organisational and commercial background. He has operated in finance roles of increasing seniority, scope and complexity. In many cases operating with small to medium sized profit centres making up the business across multinational boundaries.

Robert is a Fellow Certified Practicing Accountant and joined Cordel Group plc as Chief Financial Officer and Executive Director on 13 March 2020.

Aaron Hoyer, aged 41 – Executive Director, Chief Technology Officer

Aaron co-founded Cordel Group plc in 2012 and has extensive technology experience of both hardware and software across a range of settings, covering remote sensor technologies, including LiDAR and photogrammetry, data fusion and data processing, machine learning and UI design. He has a degree in Computer Science and Mathematics from the University of Newcastle, New South Wales.

Aaron was appointed to the Board of Cordel Group plc on 14 April 2022.

Principal activities

Information on the Group's principal activities are disclosed in the strategic report.

Results and dividends

The loss for the Group after providing for income tax and non-controlling interest amounted to £1,195,812 (30 June 2021: £970,372).

No dividend has been paid during the financial year and the directors do not recommend a final dividend in respect of the year ended 30 June 2022 (30 June 2021: £nil).

Further commentary on the financial results are disclosed in the financial review by the Chief Executive Officer within the strategic report.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and financial position are given in the strategic review and this directors' report. In addition, the notes to the financial statements include details on the Group's borrowing facilities and its objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

The Group has considerable financial resources together with a member base split across different geographic areas. The Group's forecasts and projections, taking into account reasonably possible changes in trading performance and the newly acquired contracts, show that the Group should be able to operate for the foreseeable future with the current working capital. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

DIRECTORS' REPORT (continued)

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

Likely future developments

Information on likely future developments of the Group are disclosed in the strategic report.

Financial instruments

Information on the Group's financial instruments are disclosed in the strategic report and note 25 to the financial statements.

Charitable and political donations

No charitable or political donations were made during the financial year.

Disabled employees

Due to the size of the Group, no formal policy for the employment of disabled persons has been established. However, the Group gives full consideration to employment applications from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job.

Indemnity of directors

The Company has indemnified the directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

Substantial shareholdings

The substantial shareholders in the Company as at 30 June 2022 were as follows:

Nicholas Smith	15.04%
Aaron Hoye	15.04%

Disclosure of information to the auditors

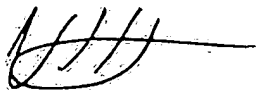
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Oury Clark, pursuant to section 487 (2) of the Companies Act 2006, are deemed to be re-appointed.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Ian Buddery
Chairman
14 October 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulation.

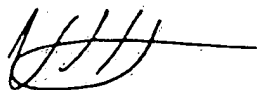
UK Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the United Kingdom and financial statements of the Company in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 'Reduced Disclosure Framework'. 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 the profit or loss of the Group for that year.

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 IFRS as adopted by the United Kingdom and applicable United Kingdom Accounting Standards have been followed for the Group and the Company respectively, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors confirm they have complied with all the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and 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 Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. 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.



Ian Buddery
Chairman
14 October 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDEL GROUP PLC

Opinion

We have audited the group financial statements of Cordel Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Consolidated Financial Statements and Notes to the Company 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 United Kingdom, including FRS101 "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 group's and of the parent company's affairs as at 30 June 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public 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 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 TO THE MEMBERS OF CORDEL GROUP PLC (continued)

Overview of our audit approach

Key audit matters

1. Going concern
2. Foreign exchange
3. Share options

Audit scope

1. We performed an audit of the parent company and the consolidated entity.
2. We did not audit the components located in Australia, though our consolidated audit included direction of those component audits, a review of the procedures and work undertaken on these by the local authorised auditors together with an assessment of those auditors.
3. We did not audit the component located in America. This component did not need a local audit. We undertook audit work in relation to elements that were material to the group, utilising local expertise where needed.
4. We did not audit the 100% UK subsidiary, as this was not required to be audited. However, we did undertake audit work on the elements that were material to the group financial statements.

Materiality

1. Overall group materiality was £60,000. This represents 5% of the loss in the year, reduced slightly to allow for any adjustments during the audit.

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) that we identified. These matters included 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Going concern

Risk

1. The group recorded significant losses in the year.
2. There is a risk that given if the group doesn't secure new contracts and manage its cost base in line with its forecast that they won't have sufficient funds to meet its debts as they fall due.

Our response to the risk

1. We inspected management's going concern assessment and challenged the forecast assumptions provided, particularly in respect of future sales and the certainty of these.
2. We discussed and assessed the progress of discussions for prospective projects.
3. We inspected contracts and documentation to support progress of non-contracted projects.
4. We assessed going concern in light of the above.
5. We discussed the going concern assessment with the firm's internal Ethical and Technical Committee who were in agreement with the assessment.

Foreign Exchange

Risk

1. The group recorded a significant foreign exchange gain to other comprehensive income in respect of one of its subsidiaries.
2. There is a risk that this was incorrectly calculated.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDEL GROUP PLC (continued)

Our response to the risk

1. We inspected the foreign exchange movements for the current and the prior year.
2. We identified an omission from the prior year of a foreign exchange credit which was then included in the current year.

Key observations communicated to the audit committee

1. Based on our audit procedures we established a material foreign exchange credit was omitted from the prior year which impacted both the stand alone and consolidated financial statements. A prior year adjustment was made to correct this.

An overview of the scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected all components covering entities within Australia, United States of America and the United Kingdom, which represent the principal business units within the Group.

Of all the components selected, we performed an audit of the complete financial information of the UK parent entity. We reviewed the work undertaken by component auditors of the Australian entities. We also performed audit testing on the material elements of the United States of America entity, utilising experts where needed and the UK subsidiary entity.

The reporting components where we performed audit procedures or reviewed component auditor procedures undertaken accounted for 100% of the Group's loss before tax, 100% of the Group's revenue and 100% of the Group's total assets.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures:

We determined materiality for the Group to be £60,000 (2021: £102,000) which is less than 5% of the operating loss for the year (2021: 10% of the operating loss for the year). We believe that losses are the most appropriate basis for materiality as the group is still in the early stages of development and is still incurring significant losses. During the course of the audit we reassessed initial materiality as required, though no updates to the materiality figure were made.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDEL GROUP PLC
(continued)****Performance materiality**

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2021: 90%) of our planning materiality, being £45,000 (2021: £91,800). We have set performance materiality at this level as we consider the overall control environment to be good and the risk of the audit to be high.

Reporting threshold

The amount below which identified misstatements are considered as being clearly trivial

It was decided that we would report all audit differences in excess of £2,500 (2021: £5,000), which is set as less than 5% of materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information set out in pages 4 to 17, but does not include the financial statements and our Report of the Auditors 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 inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be misstated. If we identify such inconsistencies or apparent misstatements, we are required to determine whether there is a material misstatement in the financial statements or a misstatement of the other information. If, based on the work we have performed, we conclude that there is a 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, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDEL GROUP PLC (continued)

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 its environment obtained in the course of the audit, we have not identified any matters in the Group Strategic Report or the Report of the Directors that are inconsistent with our overall view of the financial statements.

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential irregularities, including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

1. Considering the nature of the industry, sector, control environment and current business activities, including possible performance targets and subsequent remuneration;
2. Enquiring of management concerning policies and procedures relating to:
 - complying with laws and regulations and whether there were any instances of non-compliance; and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDEL GROUP PLC (continued)

- mitigating, detecting and responding to fraud risk and whether there has been any actual or possible instances of fraud;

3. Discussing with the engagement team and internal specialists where necessary, regarding how and where fraud may occur in the financial statements along with the possible indicators of fraud. We identified the following areas most likely to be susceptible to fraud:

- false suppliers;
- false expense claims;
- false employees;
- misappropriation of fixed assets;
- limited segregation of duties;

4. Discussing with the engagement team and internal specialists where necessary, the legal and regulatory framework in which the company operates and in particular those which would have an impact on the financial statements. The key laws and regulations considered were the Companies' Act 2006, tax legislation, employment law and AIM Rules for Companies.

Audit response to the risks identified

As noted above, we identified false suppliers, false expense claims, false employees, misappropriation of assets and limited segregation of duties as matters that would most likely be susceptible to fraud. Our procedures to respond to these risks included the following:

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Testing a sample of suppliers to check that they offer appropriate services for the company and that fees charged appear reasonable;
- Undertaking detailed testing on purchases to confirm they are valid business expenses;
- Testing an expense claim for a high level employee to check that the expenses claimed are reasonable and related to the business;
- Existence testing of fixed assets held at the year end;
- Detailed testing of wages including walkthrough of the system to ensure the country specific risks are covered in each of the different jurisdictions.

Further, we also identified compliance with the Companies Act 2006, tax legislation, employment law and AIM Rules for Companies as key areas where there may be possible non-compliance. Our procedures to respond to these risks included the following:

- Review the financial statement disclosures and testing to supporting documentation to assess compliance with the Companies Act 2006;
- Reviewing expenses codes for any items not allowable for the tax computations;
- Being vigilant to any potential indicators of employment disputes;
- Review of correspondence between the entity and the AIM.

The above matters and identified laws and regulations and potential fraud risks were communicated to all engagement team members and internal specialists where necessary, in order to enable the team to have the ability to identify such risks. The whole team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

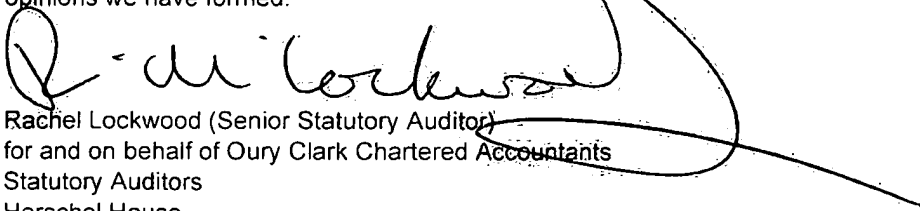
There are inherent limitations in the audit procedures described above and the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDEL GROUP PLC
(continued)**

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 Report of the Auditors.

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 a Report of the Auditors 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.



Rachel Lockwood (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants
Statutory Auditors

Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

18 October 2022

Notes:

1. The maintenance and integrity of the Cordel Group PLC website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £	2021 as restated £
Revenue from contracts with customer	5	2,272,683	1,689,998
Other income	6	596,765	616,760
Interest revenue calculated using the effective interest method		12	7,057
Expenses			
Hosting fees and other direct costs		(775,290)	(649,274)
Employee benefits expense	9	(2,191,308)	(1,711,384)
Occupancy expense	8	(29,338)	(21,898)
Depreciation and amortisation expense	8	(166,797)	(113,068)
Other expenses	8	(897,103)	(1,029,451)
Finance costs	8	(14,398)	(11,112)
Loss before income tax expense		(1,204,774)	(1,222,372)
Income tax expense	12	4,081	200,551
Loss after income tax expense for the year		(1,200,693)	(1,021,821)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Share option reserve		59,048	72,148
Foreign currency translation		(77,879)	66,274
Other comprehensive income for the year, net of tax		(18,831)	138,422
Total comprehensive income for the year		<u>(1,219,524)</u>	<u>(883,399)</u>
Loss for the year is attributable to:			
Non-controlling interest		-	-
Owners of Cordel Group plc		(1,200,693)	(1,021,821)
		<u>(1,200,693)</u>	<u>(1,021,821)</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		-	-
Owners of Cordel Group plc		(1,219,524)	(883,399)
		<u>(1,219,524)</u>	<u>(883,399)</u>
		Pence	Pence
Basic earnings per share	31	(0.70)	(0.61)
Diluted earnings per share	31	(0.70)	(0.61)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2022**

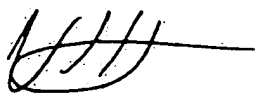
	Note	2022 £	2021 as restated £
Non-current assets			
Goodwill	13	1,223,403	1,223,403
Right to Use Asset	14	98,843	132,518
Property, plant and equipment	15	132,478	126,831
Deferred tax asset		234,842	213,802
Total non-current assets		<u>1,689,566</u>	<u>1,696,554</u>
Current assets			
Inventories	16	246,940	190,154
Trade and other receivables	17	640,598	522,212
Prepayments and other debtors	19	668,797	509,522
Cash and cash equivalents		339,665	1,538,150
Total current assets		<u>1,896,000</u>	<u>2,760,038</u>
Non-current liabilities			
Lease Liabilities	28	62,392	96,588
Deferred tax		5,151	-
Total non-current liabilities		<u>67,543</u>	<u>96,588</u>
Current liabilities			
Trade and other payables	20	580,240	340,185
Employee benefits		157,584	126,559
Unearned Income		-	10,680
Lease Liabilities	28	44,927	40,680
Total current liabilities		<u>782,751</u>	<u>518,104</u>
Net current assets		<u>1,113,249</u>	<u>2,241,934</u>
Total assets less current liabilities		<u>2,802,815</u>	<u>3,938,488</u>
Net assets		<u>2,735,272</u>	<u>3,841,900</u>
Equity			
Share capital	21	1,704,272	1,687,661
Share premium account	22	9,525,617	9,520,634
Other reserves	23	2,399,764	2,418,596
Accumulated losses		(10,894,381)	(9,784,991)
Total equity		<u>2,735,272</u>	<u>3,841,900</u>

The above consolidated balance sheet should be read in conjunction with accompanying notes

**CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2022 (continued)**

The financial statements of Cordel Group plc (company number 11098701 (England and Wales)) were approved by the Board of Directors and authorised for issue on 14 October 2022.

They were signed on its behalf by:



Ian Buddery
Chairman

14 October 2022



Nicholas Smith
Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Share capital	Share premium account*	Other reserves	Accumulated losses	Total equity as restated
	£	£	£	£	£
Balance at 1 July 2020	1,460,854	7,781,192	2,280,174	(8,676,197)	2,759,050
Loss after income tax expense for the year	-	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	(1,021,821)	(1,021,821)
Prior year adjustment	-	-	-	(86,973)	(86,973)
Total comprehensive income for the year	-	-	138,422	(1,108,794)	(970,372)
Share issue	226,807	1,739,442	-	-	1,966,249
Balance at 30 June 2021	1,687,661	9,520,634	2,418,596	(9,784,991)	3,841,900

❖ The share premium account is used to recognise the difference between the issued share capital at nominal value and the capital received, net of transaction costs.

	Share capital	Share premium account	Other reserves	Accumulated losses	Total equity
	£	£	£	£	£
Balance at 1 July 2021	1,687,661	9,520,634	2,418,596	(9,784,991)	3,841,900
Loss after income tax expense for the year	-	-	-	(1,200,693)	(1,200,693)
Other comprehensive income for the year, net of tax	-	-	(18,832)	4,330	(14,502)
Prior year adjustment	-	-	-	86,973	86,973
Total comprehensive income for the year	-	-	(18,832)	(1,109,390)	(1,128,222)
Share issue	16,611	4,983	-	-	21,594
Balance at 30 June 2022	1,704,272	9,525,617	2,399,764	(10,894,381)	2,735,272

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Loss before income tax expense for the year		(1,200,693)	(1,021,821)
Adjustments for:			
Depreciation and amortisation		166,797	113,068
Loss/(Gain) on disposal of equipment		11,880	1,272
Foreign exchange differences		(5,436)	(14,791)
Share option reserve		65,378	72,148
Interest received		(12)	(7,057)
Interest and other finance costs		14,398	11,112
		(949,688)	(846,069)
Change in operating assets and liabilities:			
Increase in inventories		(56,787)	(54,982)
Decrease/(increase) in trade and other receivables		(118,386)	(340,369)
Decrease in contract assets		-	-
Decrease/(increase) in other operating assets		(159,277)	(411,435)
(Decrease)/increase in trade and other payables		240,056	86,771
Decrease in contract liabilities		-	-
Decrease in other liabilities		20,346	(243,373)
		(1,021,736)	(1,809,457)
Interest received		12	7,057
Interest and other finance costs paid		(3,464)	(3,365)
Income taxes paid		-	-
Net cash used in operating activities		(1,025,188)	(1,805,765)
Cash flows from investing activities			
Proceeds from disposal of fixed asset		12,491	2,712
Payments for plant and equipment	15	(160,240)	(158,496)
Net cash used in investing activities		(147,748)	(155,784)
Cash flows from financing activities			
Proceeds from issue of shares		21,595	1,966,248
Cash payments for leases		(50,732)	(18,394)
Interest on lease payments		(10,934)	(7,747)
Net cash from financing activities		(40,071)	1,940,107
Net (decrease)/increase in cash and cash equivalents		(1,213,007)	(21,442)
Cash and cash equivalents at the beginning of the financial year		1,538,150	1,564,267
Effects of exchange rate changes on cash and cash equivalents		14,522	(4,675)
Cash and cash equivalents at the end of the financial year		339,665	1,538,150

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

The financial statements cover Cordel Group plc ('Company') and the entities it controlled during the financial year (referred to as the 'Group'). The financial statements are presented in Pound Sterling, which is Cordel Group plc's functional and presentation currency. The group's functional currency in Australia is Australian Dollars and in the United States of America it is US Dollars.

The Company was incorporated on 6 December 2017 as a private company, Maestrano Group Limited. On 19 April 2018, as part of a Group reorganisation, the Company acquired 100% of the ordinary shares of Cordel Pty Ltd from the existing shareholders and became the immediate and ultimate parent of the Group. On 11 May 2018, the Company converted to a public company, Maestrano Group plc and on 30 May 2018 was admitted onto the Alternative Investment Market ('AIM'). On 31 October 2019, Maestrano Group plc acquired the shares in Corridor Holdings Pty Ltd (previously Airsight Holdings Pty Ltd). On 18 November 2021 the company changed its name by special resolution to Cordel Group plc.

Cordel Group plc is a listed public company limited by shares, incorporated and domiciled in England and Wales. Its registered office and principal place of business are:

Registered office

10 John Street
London WC1N 2EB
United Kingdom

Principal place of business

2/2 Frost Drive
Mayfield West NSW 2304
Australia

A description of the nature of the Group's operations and its principal activities are included in the strategic report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 October 2022. The directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

The financial statements have been prepared assuming the Group will continue as a going concern. Under the going concern assumption, an entity is ordinarily viewed as continuing in business for the foreseeable future.

The directors consider that the Group is in a growth phase and believe it has identified a niche market area to exploit. During the year ended 30 June 2020 the group acquired the Airsight Holdings group (now Corridor Holdings) and made further investment in the pre-existing technology and intellectual property owned by Airsight Holdings within the Cordel Pty Ltd entity. This enabled the Group to begin product commercialisation in the year to 30 June 2021.

As a result of this business model, there is a proportion of contractual revenue which has a non-contractual usage element. Whilst this usage element is not contractual in itself, it is effectively certain. However, the group's ability to continue as a going concern is dependent on them securing sufficient business and managing their cost base accordingly.

The directors have considered the Group's existing working capital and are of the opinion that the Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

has adequate resources to undertake its planned programme of activities for the 12 months from the date of approval of these financial statements.

Basis of preparation

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS' or 'IFRSs') as adopted for use in the United Kingdom and IFRS Interpretations Committee interpretations (together 'UK IFRS') and the UK Companies Act 2006.

Historical cost convention

The consolidated financial statements are prepared under the historical cost convention.

Critical accounting estimates

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cordel Group plc as at the balance sheet dates presented and the results of all subsidiaries for the year then ended.

Subsidiaries are all those 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. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of common control subsidiaries is accounted for at book value. The acquisition of other subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency translation

The consolidated financial statements are presented in Pound Sterling, which is Cordel Group plc's presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Pound Sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Pound Sterling using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Pound Sterling using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability. Revenue is not recognised in line with when the revenue is received. Revenue is received prior to the delivery of a good or service.

Grants from government

Grants from government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply, with all attached conditions. Government grants which represent compensation for expenses or losses already incurred are included in other income in the profit or loss statement in the year in which the expenses or losses were incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)****Interest income**

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income

Other income is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets is reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Plant and equipment

Equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line/diminishing value basis to write off the depreciable amount of each item of equipment over their expected useful lives as follows:

Office equipment	2 years straight line
Furniture and fixtures	2 years straight line
Leasehold improvements	4 years straight line
Flight equipment	2 years straight line
Motor vehicles	8 years diminishing value

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Equipment under leases are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)****Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct part costs. Net realisable value is estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Intangible assets

Intangible assets acquired as part of a business combination, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The amortisation method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

An annual impairment review is conducted annually to assess whether the goodwill recognised in respect of acquisition accounting is in need of impairment. The Directors have reviewed and endorsed a Strategic Business and Financial Plan prepared by the Management Team for the next 2-3 years. Based on those assumptions and forecasts, the Directors believe that at this stage the Goodwill from the Corridor Holdings acquisition (previously Airsight Holdings) has an indefinite life.

Software

Significant costs associated with purchased software are deferred and amortised on a reducing balance basis over the period of their expected benefit, being their finite useful life of two years.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit. Amortisation commences when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised at the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Employee benefits

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to be exercised after allowing for forfeiture rates, and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Cordel Group plc, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Value-Added Tax ('VAT')/Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT/GST, unless the VAT/GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT/GST receivable or payable. The net amount of VAT/GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The VAT/GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT/GST recoverable from, or payable to, the tax authority.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commitment date of the lease (ie. The date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets, as follows:

Property	10 years
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If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchased option, depreciation is calculated using the estimated useful life of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease terms reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

A depreciation charge for the leased asset and an interest expense on the lease liability is recognised in the profit and loss in accordance with IFRS 16. For classification within the statement of cash flows, the lease payments are separated into both a principal (financing activities) and interest (either operating or financing activities) component.

Cashflow statement

The cash flow statement is prepared under the indirect method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The accounting judgements, estimates and assumptions that have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimates:**Revenue recognition where contracts are in progress**

In accordance with the revenue recognition policy detailed in note 2, in measuring revenue relating to fixed agreements the Group measures the stage of completion with reference to costs incurred and the total costs estimated for each contract. The total estimated costs for each contract are reviewed monthly to ascertain the current stage of completion and requires reasonable judgments to be made. Judgement includes allocating transaction prices to each of the performance obligations.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 32 for valuation model inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 4. OPERATING SEGMENTS

Identification of reportable operating segments

The Group operates in one segment being provision of data integration and analytic services. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The operating segment information is the same information as provided throughout the consolidated financial statements and are therefore not duplicated. Given the research and development expenditure for all types of product, the board have determined that reportable operating segments would be too difficult to determine.

Major customers

There are 3 customers contributing external revenue of more than 10% amounting to £468,343, £460,240 and £392,951 respectively (2021: 2 customers amounting to £452,967 and £421,895 respectively).

Revenue by geographical area

Revenue from the principal activities of the Group is attributable to the following geographical areas:

	2022	2021
	£	£
United Kingdom	976,650	421,895
Australia/New Zealand	937,852	1,035,136
United States of America	135,542	(9,828)
Canada	51,741	-
Asia	170,898	220,368
Europe	-	22,427
Total revenue	2,272,683	1,689,998

It was not possible to determine profit or loss by geographical region during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
NOTE 5. CONTRACT REVENUE BY PRODUCT

	2022	2021
	£	£
Airsight	329,343	345,663
Nextcore	438,197	462,849
Cordel	1,505,143	881,486
	<u>2,272,683</u>	<u>1,689,998</u>

NOTE 6. OTHER INCOME

	2022	2021
	£	£
Government grants and rebates	587,934	600,819
Other income	8,831	15,941
	<u>596,765</u>	<u>616,760</u>

Government grants and rebates predominately relate to research and development rebates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
NOTE 7. EBITDA RECONCILIATION (EARNINGS BEFORE INTEREST EXPENSE, TAXATION, DEPRECIATION AND AMORTISATION)

	2022	2021
	£	£
EBITDA reconciliation		
Loss before income tax	(1,204,774)	(1,222,372)
Less: Interest revenue	(12)	(7,057)
Add: Interest expense	14,398	11,112
Add: Depreciation and amortisation	166,797	113,067
EBITDA	<u>(1,023,591)</u>	<u>(1,105,250)</u>

Underlying EBITDA represents EBITDA adjusted for significant, unusual and other one-off items.

	2022	2021
	£	£
Underlying EBITDA reconciliation		
EBITDA and Underlying EBITDA	<u>(1,023,521)</u>	<u>(1,105,250)</u>

The financial statements include both the statutory financial statements and additional performance measures of EBITDA and Underlying EBITDA. The directors believe these additional measures provide useful information on the underlying trend in operational performance going forward without these unusual and other one-off items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 8. EXPENSES

	2022	2021
	£	£
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Leasehold improvements	4,948	4,110
• Office equipment	24,291	24,684
Furniture and fixtures	27,120	3,083
Motor vehicles	2,615	3,335
Flight equipment	54,977	32,350
R&D assets	5,025	1,474
Total depreciation	<u>118,976</u>	<u>69,036</u>
<i>Amortisation</i>		
Right of use asset	47,821	44,032
Total depreciation and amortisation	<u>166,797</u>	<u>113,068</u>
<i>Occupancy expense</i>		
Other occupancy expense	29,338	21,898
Total occupancy expense	<u>29,338</u>	<u>21,898</u>
<i>Finance costs</i>		
Lease interest payments	14,398	11,112
Total finance costs expensed	<u>14,398</u>	<u>11,112</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Other expenses

Travel and entertainment	47,903	25,500
Marketing services	79,801	88,156
IT infrastructure	103,208	60,692
Professional fees	507,363	541,990
Net foreign exchange (gain)/loss	(5,436)	(15,575)
Other	164,264	328,688
Total other expenses	<u>897,103</u>	<u>1,029,451</u>

Research and development costs recorded in the consolidated statement of profit and loss and other comprehensive income were £1,225,750 and £983,032 in 2021. These costs are spread across all the expenses in the year.

NOTE 9. STAFF COSTS

The average number of employees during the year was as follows:

	2022	2021
Sales and marketing	5	6
Technical	23	18
Finance and administration	3	3
Average number of employees	<u>31</u>	<u>27</u>

The employee benefits expense during the year was as follows:

	2022 £	2021 £
Wages and salaries	1,899,045	1,474,428
Social security costs	88,503	50,342
Other pension costs	138,383	121,362
Share-based payments	<u>65,377</u>	<u>65,252</u>
Total employee benefits expense	<u>2,191,308</u>	<u>1,711,384</u>

Included in other creditors at the period end there was unpaid pension costs of £10,853 (2021: £nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 10. DIRECTORS' REMUNERATION

Details of directors' remuneration is set out below:

	2022	2021
Number of directors accruing benefits under money purchase schemes in respect of qualifying services	4	5

The total remuneration in respect of the year ended 30 June 2022 and paid to each director who held office during the year as follows:

	Salary and fees	Share option charge	Bonus	Post-employment benefits	Total
2022	£	£	£	£	£
Non-Executive Directors:					
Ian Buddery	66,264	-	-	-	66,264
John Davis	38,000	-	-	1,140	39,140
Jonathan Macleod	32,976	-	-	2,970	35,946
Nicholas McInnes	36,667	1,528	-	-	38,195
Executive Directors:					
Aaron Hoyer (appointed April 2022) *	15,954	-	-	1,595	17,549
Nicholas Smith	112,423	-	-	-	112,423
Robert Lojszczyk	79,758	917	-	7,976	88,651
Total directors' remuneration	382,042	2,445	-	13,681	398,168

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 10. DIRECTORS' REMUNERATION (continued)

	Salary and fees	Share option charge	Bonus	Post- employment benefits	Total
2021	£	£	£	£	£
Non-Executive Directors:					
Ian Buddery	84,000	-	-	-	84,000
John Davis	45,600	3,485	-	1,368	50,453
Jonathan Macleod	40,555	3,485	-	3,852	47,892
Nicholas McInnes	44,000	2,609	-	-	46,609
Executive Directors:					
Andrew Pearson	94,761	6,974	-	2,564	104,299
Nicholas Smith	105,132	2,510	-	4,287	111,929
Robert Lojszczyk	83,265	1,565	-	7,910	92,740
Total directors' remuneration	497,313	20,628	-	19,981	537,922

*Remuneration from date of appointment as director of the Company.

Number of directors accruing benefits under money purchase schemes in respect of qualifying services were four.

The number of directors who exercised share options in the year ended 30 June 2022 was one (2021: none).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 11. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2022	2021
	£	£
Short-term employee benefits	382,042	497,313
Post-employment benefits	13,681	19,981
Share-based payment	2,445	20,628
	<u>398,168</u>	<u>537,922</u>

NOTE 12. INCOME TAX

	2022	2021
	£	£
<i>Income tax expense</i>		
Adjustment recognised for prior periods	-	-
	<u>4,081</u>	<u>200,551</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	<u>(1,204,774)</u>	<u>(1,222,372)</u>
Tax at the statutory tax rate of 23% (2021: 23%)	(270,330)	(284,639)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 12. INCOME TAX (continued)

Tax effect amounts which are not deductible/(taxable) in calculating taxable income:

Research and development expenditure, net of tax credits	180,546	(108,704)
Income not taxable	(8,952)	(30,701)
Movement in prepayments and accruals	-	27,730
Capital allowances in excess of depreciation	(3,688)	(20,598)
Other items	11,325	(12,428)
Prior year tax adjustment	-	(58)
Current year tax losses not recognised	87,018	444,737
Temporary differences not recognised	-	(215,890)
Income tax expense	(4,081)	(200,551)

Tax at the statutory tax rate represents the effective rate of income tax across the jurisdictions in which each of the Group entities are domiciled.

The tax rates of the main jurisdictions are Australia 25% (2021: 26%), United Kingdom 19.0% (2021: 19.0%), United States of America 21.0% (2021: 21.0%).

	2022	2021
	£	£
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	2,334,006	1,876,685
Potential deferred tax asset at domestic tax rates applicable in the countries concerned	443,461	356,570

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 12. INCOME TAX (continued)

The above potential tax benefit for tax losses has not been recognised in the balance sheet due to a lack of certainty as to when the losses will reverse. A deferred tax asset has been recognised on losses which are expected to reverse of £218,920.

	2022	2021
	£	£
<i>Deferred tax assets/(liabilities) not recognised</i>		
Deferred tax assets/(liabilities) not recognised comprises temporary differences attributable to:		
Employee benefits	-	-
Accrued expenses	-	-
Prepayments and work in progress	-	-
	<u>-</u>	<u>-</u>
	-	-
	<u>-</u>	<u>-</u>

The above potential tax benefit for deductible temporary differences have not been recognised in the balance sheet as the recovery of the benefit is uncertain.

NOTE 13. GOODWILL

	2022	2021
	£	£
Goodwill	<u>1,223,403</u>	<u>1,223,403</u>
	<u>1,223,403</u>	<u>1,223,403</u>

The goodwill was recognised in the year ended 30 June 2020 and no impairments have been recognised to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 13. GOODWILL (continued)

Consideration paid:

	£
Share issue	858,585
Fair value of contingent consideration	127,834
	<u>986,419</u>

Assets and liabilities acquired are as follows:

	£
Cash and cash equivalents	18,310
Trade and other receivables	80,303
Inventory	12,699
Trade payables	(142,708)
Other liabilities	(237,316)
Property, Plant and Equipment	31,728
Goodwill	1,223,403
	<u>986,419</u>

The acquisition of Corridor Holdings Pty Ltd (formerly Airsight Holdings Pty Ltd) occurred during the year ended 30 June 2020.

NOTE 14. NON-CURRENT ASSETS – RIGHT TO USE ASSET

	2022 £	2021 £
Right to Use Asset	212,111	197,967
Less: Accumulated depreciation	<u>(113,268)</u>	<u>(65,448)</u>
	<u>98,843</u>	<u>132,519</u>

The £212,111 right to use asset represents the prior year assets and additions of £14,144. The £113,268 depreciation represents accumulated depreciation brought forward from the prior year and £47,820 of depreciation charged in the year. There were no disposals.

Right-of-use assets related to leased properties that do not meet the definition of investment property are presented as property, plant and equipment.

The Group leases premises with a lease term of 5 years ending 29 May 2024. There is no option to purchase and there are no variable payments.

	Cost b/fwd	Additions	Depreciation b/fwd	Depreciation	Carrying amount c/fwd
Buildings	197,967	14,144	(65,448)	(47,820)	98,843
	<u>197,967</u>	<u>14,144</u>	<u>(65,448)</u>	<u>(47,820)</u>	<u>98,843</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
NOTE 15. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2022	2021
	£	£
Leasehold improvements – at cost	20,497	17,073
Less: Accumulated depreciation	(9,926)	(4,956)
	<u>10,571</u>	<u>12,117</u>
Office equipment – at cost	85,821	67,185
Less: Accumulated depreciation	(62,693)	(39,361)
	<u>23,128</u>	<u>27,824</u>
Furniture and fixtures – at cost	68,298	15,133
Less: Accumulated depreciation	(24,898)	(3,083)
	<u>43,400</u>	<u>12,050</u>
Motor vehicles – at cost	32,155	31,328
Less: Accumulated depreciation	(24,414)	(21,324)
	<u>7,741</u>	<u>10,004</u>
R&D Assets – at cost	9,983	7,664
Less: Accumulated depreciation	(6,499)	(1,474)
	<u>3,484</u>	<u>6,190</u>
Flight equipment – at cost	207,270	199,687
Less: Accumulated depreciation	(163,116)	(141,041)
	<u>44,154</u>	<u>58,646</u>
	<u>132,478</u>	<u>126,831</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 15. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

	Leasehold improvements £	Office equipment £	Furniture and fixtures £	Motor Vehicles £	Flight equipment £	R&D assets £	Total £
Balance at 30 June 2020	14,723	32,296	-	13,691	19,465	-	80,175
Additions	1,883	23,033	15,133	-	73,196	7,664	120,909
Disposals	-	(5,757)	-	-	(3,126)	-	(8,883)
Exchange differences	(379)	-	-	(352)	(501)	-	(1,232)
Depreciation disposed	-	2,936	-	-	1,963	-	4,899
Depreciation expense	(4,110)	(24,684)	(3,083)	(3,335)	(32,351)	(1,474)	(69,037)
Balance at 30 June 2021	12,117	27,824	12,050	10,004	58,646	6,190	126,831
Additions	3,023	20,140	71,344	-	49,269	2,320	146,096
Disposals	-	(2,580)	(18,178)	-	(45,110)	-	(65,868)
Exchange differences	379	573	-	352	501	(1)	1,804
Depreciation disposed	-	1,462	5,304	-	35,825	-	42,591
Depreciation expense	(4,948)	(24,291)	(27,120)	(2,615)	(54,977)	(5,025)	(118,976)
Balance at 30 June 2022	10,571	23,128	43,400	7,741	44,154	3,484	132,478

Non-current assets by geographical location

All property plant and equipment is located in Australia other than office equipment with a net book value of £9,016 which is located in the United Kingdom and equipment with a net book value of £9,473 which is located in the United States of America.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 16. CURRENT ASSETS – INVENTORIES

	2022	2021
	£	£
Inventories	246,940	190,154
	<u>246,940</u>	<u>190,154</u>

The amount of inventories expensed during the period was £400,694 (2021: £562,063).

NOTE 17. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2022	2021
	£	£
Trade receivables	640,598	456,929
Other receivables	-	65,283
	<u>640,598</u>	<u>522,212</u>

Allowance for expected credit losses

The Group has recognised a loss of £nil (2021: £nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2022. The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022	2021	2022	2021	2022	2021
	%	%	£	£	£	£
Not overdue	-	-	540,280	448,842	-	-
0 to 3 months overdue	-	-	100,318	7,337	-	-
3 to 6 months overdue	-	-	-	750	-	-
Over 6 months overdue	-	-	-	-	-	-
			<u>640,598</u>	<u>456,929</u>	<u>-</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 17. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES (continued)

The Company has virtually no experience of bad debts and credit losses and the directors do not expect any future credit losses to arise as contracts come to termination and as a result no expected credit loss provision was recorded as it was deemed immaterial.

NOTE 18. CURRENT ASSETS – CONTRACT ASSETS

There were no contract assets as at 30 June 2022 or 30 June 2021.

NOTE 19. CURRENT ASSETS – PREPAYMENTS AND OTHER DEBTORS

	2022	2021
	£	£
Prepayments	114,384	95,420
R&D tax offset refundable	554,413	414,102
	<u>668,797</u>	<u>509,522</u>

NOTE 20. CURRENT LIABILITIES -TRADE AND OTHER PAYABLES

	2022	2021
	£	£
Trade payables	386,381	139,616
Accrued expenses	151,498	166,546
Other payables	42,362	34,023
	<u>580,241</u>	<u>340,185</u>

Refer to note 25 for further information on financial instruments.

There were no contract liabilities as at 30 June 2022 or 30 June 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 21. EQUITY – SHARE CAPITAL

Capital reconstruction – Group reorganisation

Cordel Group plc was incorporated on 6 December 2017 and was admitted to the Alternative Investment Market ('AIM') on 30 May 2018. Prior to AIM admission, the Group undertook a reorganisation such that Cordel Group plc was established as Cordel Pty Ltd's parent/holding entity. Cordel Group plc determined that the acquisition of Cordel Pty Ltd did not represent a business combination as defined by IFRS 3 'Business Combinations'. The appropriate accounting treatment for recognising the new Group structure has been determined to be a continuation of the financial statements of Cordel Pty Ltd Group. Refer to basis of preparation in note 2 for further details. The number of shares in issue shown below therefore reflects those of Cordel Group plc.

	2022	2021	2022	2021
	Shares	Shares	£	£
Ordinary shares of £0.01 each – issued and fully paid	170,427,186	168,766,075	1,704,272	1,687,661

Movements in ordinary share capital

Details	Date	Shares	£
Balance	1 July 2020	146,085,369	1,460,854
Issue of shares of £0.01 each in Cordel Group plc on Holdback shares as part of Airsight Holdings acquisition	30 Sep 2020	7,338,336	73,383
Issue of shares of £0.01 each in Cordel Group plc on Equity placement	03 Mar 2021	15,342,370	153,424
Balance	30 June 2021	168,766,075	1,687,661
Issue of shares of £0.01 each in Cordel Group plc on Equity placement	18 Aug 2021	1,411,111	14,111
Issue of shares of £0.01 each in Cordel Group plc on Equity placement	31 Mar 2022	250,000	2,500
Balance		170,427,186	1,704,272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**NOTE 21. EQUITY – SHARE CAPITAL (continued)****Ordinary shares**

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the balance sheet, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. If net debt is negative, then the net debt adjustment is limited to zero.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company is seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is not subject to any financing arrangement covenants and there have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged throughout the periods presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
NOTE 22. EQUITY – SHARE PREMIUM ACCOUNT

		2022	2021
		£	£
Share premium account		9,525,617	9,520,634
<i>Movements in share premium account</i>			
Detail	Date		£
Balance	01 July 2020		7,781,192
Issue of shares in Cordel Group plc on Holdback shares as part of Airsight Holdings acquisition	30 Sep 2020		54,451
Issue of shares of in Cordel Group plc on Equity placement	3 Mar 2021		1,684,991
Balance	01 July 2021		9,520,634
Issue of shares of in Cordel Group plc on Equity placement	18 Aug 2021		4,233
Issue of shares of in Cordel Group plc on Equity placement	31 Mar 2022		750
Balance	30 Jun 2022		9,525,617

The share premium account is used to recognise the difference between the issued share capital at nominal value and the capital received, net of transaction costs.

NOTE 23. EQUITY – OTHER RESERVES

	2022	2021
		as restated
	£	£
Foreign currency reserve	378,728	456,608
Share option reserve	131,196	72,148
Capital reorganisation reserve	1,889,840	1,889,840
	2,399,764	2,418,596

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 23. EQUITY – OTHER RESERVES (continued)

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Pound sterling.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Capital reorganisation reserve

The Group is a continuation of the original Maestrano Pty Limited group. Cordel Group plc has therefore recorded the net assets of Maestrano Pty Limited group at their historic carrying value at the date of acquisition as a capital reorganisation. The reserve is used to recognise the difference between the shares issued to affect the transaction (£200,000) and the share capital acquired (£2,089,840).

Movements in reserves

Movements in each class of reserve during the current and previous financial years are set out below:

	Foreign currency	Share based payments	Capital reorganisation	Total as restated
	£	£	£	£
Balance at 1 July 2020	390,334	-	1,889,840	2,280,174
Foreign currency translation	66,274	-	-	66,274
Equity settled share based transactions		72,148		72,148
Balance at 30 June 2021	456,608	72,148	1,889,840	2,418,596
Foreign currency translation	(77,879)	-	-	(77,879)
Equity settled share based transactions		59,048		59,048
Balance at 30 June 2022	378,729	131,196	1,889,840	2,399,764

NOTE 24. EQUITY – DIVIDENDS

There were no dividends paid, recommended or declared during the current or prior financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 25. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the Group's operating units. Finance reports to the Board on a regular basis.

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group had net assets denominated in foreign currencies of £972,548 as at 30 June 2022 (2021: £1,220,649). Based on this exposure, had the Pound sterling weakened by 10%/strengthened by 10% against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been £97,255 lower / £97,255 higher (2021: £122,065 lower / £122,065 higher). The actual foreign exchange gain for the year ended 30 June 2022 was £5,436 (2021: gain of £15,575).

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk. Most of the cash and cash equivalents are held in banks in the UK where the current interest rate is negligible and unlikely to fluctuate in the foreseeable future.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the gross carrying amount, as disclosed in the balance sheet and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 25. FINANCIAL INSTRUMENTS (continued)

provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Except for cash and cash equivalents, the Group has no other concentration of credit risk exposure as at 30 June 2022 and 2021. No expected credit loss is recorded for cash and cash equivalents as the Group and Company only deal with at least "A" rated financial institutions.

Liquidity risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the balance sheet.

	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2022	£	£	£	£	£
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	386,381	-	-	-	386,381
Other payables	15,518	-	-	-	15,518
Total non-derivatives	401,899	-	-	-	401,899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 25. FINANCIAL INSTRUMENTS (continued)

	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
2021	£	£	£	£	£
Non-derivatives					
<i>Non-interest bearing</i>					
Trade payables	139,616	-	-	-	139,616
Other payables	34,023	-	-	-	34,023
Total non-derivatives	173,639	-	-	-	173,639

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above. The Group has more than adequate cash reserves to meet the remaining contractual maturities.

NOTE 26. FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

NOTE 27. AUDITOR REMUNERATION

During the financial year ended 30 June 2022, the following fees were paid or payable for services provided by Oury Clark Chartered Accountants, the auditor of the Company, and its associates.

	2022	2021
	£	£
<i>Audit services</i>		
Audit or review of the financial statements	40,000	53,000
<i>Other services</i>		
Accounting assistance	-	34,887
Company secretarial and other	6,896	-
	<u>46,896</u>	<u>87,887</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 28. LEASES

Lease liabilities

The following non-cancellable lease commitments existed at the period end:

	2022 £	2021 £
0-1 Year	44,927	40,062
1-5 Years	62,392	98,210
	<u>107,319</u>	<u>138,272</u>

Included within current liabilities is a lease liability of £44,927. Included within non-current liabilities is a lease liability of £62,392.

As at 30 June 2022 the Group had not committed to any further lease liabilities that had not yet commenced.

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expenses on a straight-line basis.

The total cash outflow in respect of leases in the year was £50,732 and the interest expense for leasing arrangements was £10,934.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 29. RELATED PARTY TRANSACTIONS

Ultimate controlling party

There is no ultimate controlling party.

Key management personnel

Disclosures relating to key management personnel are set out in note 11.

Transactions with related parties

Ian Buddery was remunerated through his personal service company during the year. Total amounts paid during the year ended 30 June 2022 were £66,264 (2021: £84,000) and these amounts are included within the directors' remuneration shown in note 10.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting dates.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting dates.

NOTE 30. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries held by the Company in accordance with the accounting policy described in note 2:

Name	Address and country of incorporation	Holding %
Maestrano Pty Ltd	2/2 Frost Drive, Mayfield West NSW 2304, Australia	100%
Cordel Limited	10 John Street, London WC 1N 2EB United Kingdom	100%
Cordel Technology Inc.	1734 E. Boston Street, Suite 103, Gilbert AZ 85295, United States of America	100%
Corridor Holdings Pty Ltd	2/2 Frost Drive, Mayfield West NSW 2304, Australia	100%
Cordel Pty Ltd	2/2 Frost Drive, Mayfield West NSW 2304, Australia	100%
Airsight Australia Pty Ltd	2/2 Frost Drive, Mayfield West NSW 2304, Australia	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 31. EARNINGS PER SHARE

	2022	2021
	£	£
Loss after income tax	(1,200,693)	(1,021,821)
Non-controlling interest	-	-
Loss after income tax attributable to the owners of Cordel Group plc	(1,200,693)	(1,021,821)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	170,427,186	168,766,075

Weighted average number of ordinary shares used in calculating diluted earnings per share	170,427,186	168,766,075

	Pence	Pence
Basic earnings per share	(0.70)	(0.61)
Diluted earnings per share	(0.70)	(0.61)

NOTE 32. SHARE-BASED PAYMENTS

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board of Directors, grant options over equity settled ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

All options vest over a period no longer than three years and may have other vesting conditions. Options expire when an employee ceases to be employed or contracted by a Group company unless the Board in its discretion allows the employee to retain all or some of their options. Options do not have a fixed expiry date.

The share-based payment expense for the financial year was recorded as £65,378 (2021: £65,252). During the year there were 400,000 equity settled share options granted (2021: 3,000,000). Shares exercised during the year totalled 1,661,111 leaving 11,703,611 shares outstanding as at 30 June 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**NOTE 32. SHARE-BASED PAYMENTS (continued)**

The fair value of the options granted was calculated using the Black Scholes Model. The fair values of the shares granted on 01/07/2019 were 0.00369 for the shares vested over 2 years and 0.00449 for the shares vested over 3 years. The inputs used were as follows. Weighted average share price £0.01, exercise price £0.013, expected volatility of 50%, a risk-free interest rate of 1% and an option life of two and three years as appropriate. The volatility was calculated using the entity's share price over the previous 12 months and the valuations were undertaken by an independent organisation.

The fair value of the shares granted on 13/03/2020 was 0.00863. The inputs used were as follows. Weighted average share price £0.01, exercise price £0.020, expected volatility of 80%, a risk-free interest rate of 0.5% and an option life of two years. The volatility was calculated using the entity's share price over the previous 12 months and the valuations were undertaken by an independent organisation.

The fair value of the shares granted on 17/04/2020 was 0.00563. The inputs used were as follows. Weighted average share price £0.01, exercise price £0.018, expected volatility of 80%, a risk-free interest rate of 0.5% and an option life of one year. The volatility was calculated using the entity's share price over the previous 12 months and the valuations were undertaken by an independent organisation.

The fair value of the shares granted on 04/05/2020 was 0.00979. The inputs used were as follows. Weighted average share price £0.01, exercise price £0.019, expected volatility of 80%, a risk-free interest rate of 0.5% and an option life of three years. The volatility was calculated using the entity's share price over the previous 12 months and the valuations were undertaken by an independent organisation.

The fair value of the shares granted on 03/11/2020 was 0.04879. The inputs used were as follows. Weighted average share price £0.01, exercise price £0.10, expected volatility of 75%, a risk-free interest rate of 0.5% and an option life of three years. The volatility was calculated using the entity's share price over the previous 12 months and the valuations were undertaken by an independent organisation.

The fair value of the shares granted on 24/11/2020 was 0.04879. The inputs used were as follows. Weighted average share price £0.01, exercise price £0.10, expected volatility of 75%, a risk-free interest rate of 0.5% and an option life of three years. The volatility was calculated using the entity's share price over the previous 12 months and the valuations were undertaken by an independent organisation.

The fair value of the shares granted on 10/08/2021 was 0.03922. The inputs used were as follows. Weighted average share price £0.01, exercise price £0.125, expected volatility of 45%, a risk-free interest rate of 1.0% and an option life of three years. The volatility was calculated using the entity's share price over the previous 12 months and the valuations were undertaken by an independent organisation.

The fair value of the shares granted on 30/11/2021 was 0.04416. The inputs used were as follows. Weighted average share price £0.01, exercise price £0.128, expected volatility of 50%, a risk-free interest rate of 1.0% and an option life of three years. The volatility was calculated using the entity's share price over the previous 12 months and the valuations were undertaken by an independent organisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 32. SHARE-BASED PAYMENTS (continued)

Grant date	Nominated Person	Position	Exercise price	Vesting period	Balance at	Granted	Exercised	Cancelled	Balance at
					the start of the year				the end of the year
01/07/2019	J Macleod	Director	£0.013	Over 2 years	1,411,111	-	(1,411,111)	-	-
01/07/2019	J Davis	Director	£0.013	Over 2 years	1,411,111	-	-	-	1,411,111
01/07/2019	A Pearson	CEO	£0.013	Over 3 years	1,760,000	-	(250,000)	-	1,510,000
01/07/2019	W Pickup	Former Director	£0.013	Over 3 years	500,000	-	-	-	500,000
13/03/2020	R Lojszczyk	CFO	£0.020	Over 2 years	300,000	-	-	-	300,000
13/03/2020	N McInnes	Director	£0.020	Over 2 years	500,000	-	-	-	500,000
17/04/2020	A Pearson	CEO	£0.018	After 1 year	612,500	-	-	-	612,500
17/04/2020	N Smith	CEO	£0.018	After 1 year	490,000	-	-	-	490,000
17/04/2020	A Hoya	CTO	£0.018	After 1 year	490,000	-	-	-	490,000
17/04/2020	A Cox	COO	£0.018	After 1 year	490,000	-	-	-	490,000
04/05/2020	N Wayne	VP Americas	£0.018	Over 3 years	2,000,000	-	-	-	2,000,000
03/11/2020	David Israel	Former Airsight Holdings Director	£0.10	Leaving concert party	2,000,000	-	-	-	2,000,000
24/11/2020	Erik Hendersen	Global Head of Rail Solutions	£0.10	Over 3 years	1,000,000	-	-	-	1,000,000
10/8/2021	John Sietsma	Senior Developer	£0.125	Over 3 years	-	100,000	-	-	100,000
10/8/2021	Mark Greene	Software Development Manager	£0.125	Over 3 years	-	100,000	-	-	100,000
10/8/2021	Thomas Simmons	Hardware Manager	£0.125	Over 3 years	-	50,000	-	-	50,000
10/8/2021	Jordan Haigh	Software Developer	£0.125	Over 3 years	-	50,000	-	-	50,000
30/11/2021	Paul Mullins	Account Manager APAC	£0.128	Over 3 years	-	100,000	-	-	100,000
					12,964,722	400,000	(1,661,111)	-	11,703,611
Weighted average exercise price since July 2019					£0.038	£0.125	-	-	£0.041

The weighted average exercise price during the financial year was £0.1073 (2021: £0.013).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**NOTE 32. SHARE-BASED PAYMENTS (continued)**

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.77 (2021: 1.17 years).

At the period end, there were 9,487,629 (2021: 8,344,722) exercisable shares.

There is no agreement in place between the Company and its employees for the Company to pay taxes on behalf of its employees. The company will be liable for employer's National Insurance due.

NOTE 33. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made to correct a foreign currency conversion error. This has resulted in an increase in foreign currency translation within other comprehensive income in the prior year of £86,974.

NOTE 34. EVENTS AFTER THE REPORTING PERIOD

In June 2022 Airsight Australia Pty Ltd ceased its activities. The brand and associated business activities were absorbed into the Cordel Pty Ltd entity. Further to this £57,000 of surplus assets were sold in August 2022 and two employees retrenched.

No other matter of circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

**COMPANY BALANCE SHEET
AS AT 30 JUNE 2022**

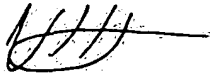
	Note	2022	2021
			as restated
		£	£
Non-current assets			
Investment in subsidiary	5	986,419	986,419
Total non-current assets		<u>986,419</u>	<u>986,419</u>
Current assets			
Receivables - amounts due within one year	6	2,990,349	~~2,215,651~~
Cash and cash equivalents		5,546	1,082,959
Total current assets		<u>2,995,895</u>	<u>~~3,329,610~~</u>
Current liabilities			
Trade and other payables - amounts due within one year	7	113,000	117,223
Total current liabilities		<u>113,000</u>	<u>117,223</u>
Net current assets		<u>2,882,895</u>	<u>3,181,387</u>
Total assets less current liabilities		<u>3,869,314</u>	<u>4,167,806</u>
Net assets		<u>3,869,314</u>	<u>4,167,806</u>
Equity			
Share capital	8	1,704,272	1,687,661
Share premium account	9	9,525,617	9,520,634
Other reserves		229,760	31,769
Accumulated losses		<u>(7,590,335)</u>	<u>(7,072,258)</u>
Total equity		<u>3,869,314</u>	<u>4,167,806</u>

The Company has taken advantage of the exemption under Section 408 of the Companies Act from presenting its own profit and loss account. The loss for the year to 30 June 2022 amounted to £524,407 (2021: £605,249).

**COMPANY BALANCE SHEET
AS AT 30 JUNE 2022 (continued)**

The financial statements of Cordel Group plc (company number 11098701 (England and Wales)) were approved by the Board of Directors and authorised for issue on 14 October 2022.

They were signed on its behalf by:



Ian Buddery
Chairman
14 October 2022



Nicholas Smith
Director
14 October 2022

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Share capital	Share premium account	Other reserves	Accumulated losses	Total equity as restated
	£	£	£	£	£
Balance at 1 July 2020	1,460,854	7,781,192	-	(6,467,009)	2,775,037
Loss after income tax expense for the period	-	-	-	(605,249)	(605,249)
Share issue	226,807	1,739,442	-	-	1,966,249
Foreign currency translation	-	-	(40,379)	-	(40,379)
Share option reserve	-	-	72,148	-	72,148
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(605,249)	(605,249)
Balance at 30 June 2021	1,687,661	9,520,634	31,769	(7,072,258)	4,167,806

	Share capital	Share premium account	Other reserves	Accumulated losses	Total equity
	£	£	£	£	£
Balance at 1 July 2021	1,687,661	9,520,634	31,769	(7,072,258)	4,167,806
Loss after income tax expense for the period	-	-	-	(524,407)	(524,407)
Share issue	16,611	4,983	-	-	21,594
Foreign currency translation	-	-	138,943	-	138,943
Share option reserve	-	-	59,048	6,330	65,378
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	229,760	(518,077)	(298,492)
Balance at 30 June 2022	1,704,272	9,525,617	229,760	(7,590,335)	3,869,314

NOTES TO THE COMPANY FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

The Company was incorporated on 6 December 2017 as a private company, Cordel Group Limited. On 19 April 2018, as part of a group reorganisation, the Company acquired 100% of the ordinary shares of Cordel Pty Ltd (the 'original parent') from the existing shareholders and became the immediate and ultimate parent of the Group. On 11 May 2018, the Company converted to a public company, Cordel Group plc and on 30 May 2018 was admitted onto the Alternative Investment Market ('AIM').

The financial statements are presented in Pound Sterling, which is Cordel Group plc's functional and presentation currency.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Basis of preparation

These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available to it, including (where applicable): statement of cash flows, new Accounting Standards not yet mandatory, presentation of comparative information for certain assets, impairment of assets, capital risk management, financial instruments, fair value measurement, key management personnel, related party transactions, business combinations and share-based payments.

Historical cost convention

The financial statements have been prepared under the historical cost convention and under the going concern assumption.

Further details of the directors' considerations in relation to going concern are included in the directors' report.

Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. The taxation liabilities are reduced wholly or in part by the surrender of tax losses by fellow Group undertakings for which payment is made.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

No expected credit loss is recorded for cash and cash equivalents as the Group and Company only deal with at least "A" rated financial institutions.

Other receivables

Receivables from controlled entities and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Foreign currency translation

The financial statements are presented in Pound Sterling, which is Cordel Group plc's presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Pound Sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Investment in subsidiary

Investment in subsidiary is shown at initial cost plus any subsequent contributions, less accumulated impairment.

In a Group reorganisation, initial cost is measured at the carrying amount of the Company's share of the equity items shown in the separate financial statements of the original parent at the date of the reorganisation. If the original parent has net liabilities, the initial cost is recognised as nil.

The difference between the capital contributed to effect the transaction and the initial cost recognised as the investment in subsidiary is reflected as an adjustment directly to the capital reorganisation reserve in equity.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE 3. EMPLOYEES AND DIRECTORS' INFORMATION

The only employees of the Company are the directors whose emoluments are disclosed in note 10 to the consolidated financial statements.

NOTE 4. KEY MANAGEMENT PERSONNEL DISCLOSURES

The aggregate compensation made to directors and other members of key management personnel of the Group is set out in note 11 to the consolidated financial statements.

NOTE 5. NON-CURRENT ASSETS- INVESTMENT IN SUBSIDIARY

	2022	2021
	£	£
Investment in Corridor Holdings Pty Ltd – 100% of issued capital held	986,419	986,419
Investment in Cordel Ltd – 100% of issued capital held	-	-
Investment in Maestrano Pty Ltd – 100% of issued capital held	-	-
Investment in Cordel Technology Inc. - 100% of issued capital held	-	-

A full list of the subsidiaries controlled by the Company is disclosed in note 30 to the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)
NOTE 6. CURRENT ASSETS – RECEIVABLES – AMOUNTS DUE WITHIN ONE YEAR

	2022	2021
		as restated
	£	£
Receivable from controlled entities	2,947,426	2,164,779
Prepayments	37,866	46,998
Other receivables - representing VAT/GST	5,057	3,874
	<u>2,990,349</u>	<u>2,215,651</u>

Interest is being charged on loans between the Australian entities at 5%. Loans between other group entities and between Australian and non Australian group entities are interest free. The receivables from controlled entities are repayable on demand. No expected credit loss provision is recorded on the remaining receivable from the controlled entities as directors believe the receivable from controlled entities will be fully recovered from amounts recently received by the controlled entities of grant monies due from the government.

NOTE 7. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2022	2021
	£	£
Trade payables	23,000	953
Accrued expenses	90,000	116,270
	<u>113,000</u>	<u>117,223</u>

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

NOTE 8. EQUITY – SHARE CAPITAL

	2022 Shares	2021 Shares	2022 £	2021 £
Ordinary shares of £0.01 each - issued and fully paid	170,427,186	168,766,075	1,704,272	1,687,661

Movements in ordinary share capital

Details	Date	Shares	£
Balance	1 July 2019	80,040,331	800,403
Issue of shares of £0.01 each in Cordel Group plc on acquisition of Corridor Holdings Pty Ltd, formerly Airsight Holdings Pty Ltd	01 Nov 2019	66,045,038	660,451
Balance	30 June 2020	146,085,369	1,460,854
Issue of shares of £0.01 each in Cordel Group plc on Holdback shares as part of Airsight Holdings acquisition	30 Sep 2020	7,338,336	73,383
Issue of shares of £0.01 each in Cordel Group plc on Equity placement	03 Mar 2021	15,342,370	153,424
Balance	30 June 2021	168,766,075	1,687,661
Issue of shares of £0.01 each in Cordel Group plc on Equity placement	12 Aug 2021	1,411,111	14,111
Issue of shares of £0.01 each in Cordel Group plc on Equity placement	18 Mar 2022	250,000	2,500
Balance		170,427,186	1,704,272

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

NOTE 9. EQUITY – SHARE PREMIUM ACCOUNT

		2022	2021
		£	£
Share premium account		9,525,617	9,520,634
<i>Movements in share premium account</i>			
Detail	Date		£
Balance	01 Jul 2021		9,520,634
Issue of shares of in Cordel Group plc on Equity placement	12 Aug 2021		4,233
Issue of shares of in Cordel Group plc on Equity placement	18 Mar 2022		750
			9,525,617

The share premium account is used to recognise the difference between the issued share capital at nominal value and the capital received, net of transaction costs.

NOTE 10. EQUITY – OTHER RESERVES

	2022	2021
		as restated
	£	£
Foreign currency reserve	98,564	(40,379)
Share option reserve	131,196	72,148
	229,760	31,769

NOTE 11. EQUITY - DIVIDENDS

There were no dividends paid, recommended, or declared during the current or previous financial period.

NOTE 12. AUDITOR REMUNERATION

The auditor's remuneration for audit and other services is disclosed within note 27 to the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

NOTE 13. CONTINGENT LIABILITIES

The company had no contingent liabilities as at 30 June 2022 and 30 June 2021.

NOTE 14. RELATED PARTY TRANSACTIONS

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2022	2021
		As restated
	£	£
Current receivables:		
Loans to commonly controlled entity	2,947,426	2,164,779
Current payables:		
Loans from commonly controlled entity	-	-

Interest is being charged between the Australian entities at 5%. Loans between other group entities and between Australian and non-Australian group entities are interest free. The receivables from controlled entities are repayable on demand. Details of related party transactions are provided in note 29 to the consolidated financial statements.

NOTE 15. SHARE-BASED PAYMENTS

A share option plan has been established by the Group and approved by shareholders at a general meeting, whereby the Group may, at the discretion of the Board of Directors, grant options over equity settled ordinary shares in the Company to certain key management personnel of the Group. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board of Directors.

All options vest over a period no longer than three years and may have other vesting conditions. Options expire when an employee ceases to be employed or contracted by a Group unless the Board in its discretion allows the employee to retain all or some of their options. Options lapse on the tenth anniversary of the Date of Grant.

During the current financial year, there were 400,000 equity settled share options granted. The share-based payment expense during the financial year recorded as £65,378. 1,661,111 shares were exercised during the year and the remaining 11,703,611 share options were outstanding.

During the prior financial year, there were 3,000,000 settled share options granted. The share-based payment expense during the prior financial year was recorded as £65,252.

NOTE 16. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)**NOTE 17. PRIOR YEAR ADJUSTMENT**

A prior year adjustment has been made to correct a foreign currency conversion error. This has resulted in an increase in foreign currency translation within other comprehensive income in the prior year of £86,974 and increase in intercompany debtors for the same amount.

NOTE 18. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.