Annual Report and Financial Statements

For the year ended 30 June 2021

Company number 11098701
(England and Wales)

www.maestrano.com

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CORPORATE DIRECTORY

Directors	Ian Buddery	*Non-Executive Chairman*
	John Davis	*Independent Non-Executive Director*
	Jonathan Macleod	*Independent Non-Executive Director*
	Nicholas McInnes	*Independent Non-Executive Director*
	Nicholas Smith	*Executive Director and Chief Executive Officer*
	Robert Lojszczyk	*Executive Director, Company Secretary and Chief Financial 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	Arden Partners plc 125 Old Broad Street London EC2N 1AR United Kingdom	
Corporate broker	Arden Partners plc 125 Old Broad Street London EC2N 1AR United Kingdom	
Website	www.maestrano.com	

STRATEGIC REPORT

The directors present their strategic report on the consolidated entity (referred to hereafter as the 'Group') consisting of Maestrano Group plc (referred to hereafter as 'Maestrano', 'the Company' or ' the parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

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

Maestrano is a United Kingdom ('UK') incorporated software company with operations in Australia (main country of operation), USA and the UK. Maestrano 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.

1. COMPANY OVERVIEW

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

The Maestrano Group operates subsidiaries in the UK, Australia and the USA, under the brands Cordel, Nextcore and Airsight. These deliver, respectively, products and services for rail and road asset management, drone-based LiDAR (Light Detection And Ranging) systems and aerial surveying.

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, a growing channel and customer base for Nextcore and also a small but solid customer base for Airsight.

The Market

The markets for Cordel and Nextcore, which are large in size and global in extent, today include the UK, Australia, Japan and the USA. The aerial surveying market for Airsight is small and localised in Australia, but provides an important proving base for our new products and technology.

Cordel

Managing infrastructure assets is a major component of the overall railway management system market, which is projected to grow strongly. Global Market Insights Inc estimates that the market was over US$33 billion in 2017 and set to grow at a CAGR of over 10% between 2018 and 2024 to reach US$64 billion. Within this, the growth of support and maintenance spend will be higher across the same period, at 16% CAGR. (GMI Report, December 2018). Technavio is also reporting strong growth in the railway management system market, at 9% CAGR between 2019 and 2023. (Technavio Report, February 2019). More broadly, the global machine learning market was valued at $1.58 billion in 2017 and is expected to reach $20.83 billion in 2024, growing at a CAGR of 44.06% between 2017 and 2024. (Roundup Of Machine Learning Forecasts And Market Estimates, 2020; Forbes, January 2020).

The Cordel offering is a new 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 strongly positioned within its markets with a highly 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 in no small part to the high levels of automation inherent in its design.

Nextcore

There are multiple ways to measure the large available market for Nextcore. The drone market itself is growing strongly in the current period, with a CAGR of 20.5% it is set to reach US$43.1 billion by 2024 (The Drone Market Report, March 2019). 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 and 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.

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 already and growing.

STRATEGIC REPORT (continued)

2. CHAIRMAN'S STATEMENT

The financial year 2020-21 saw the continuation of the growth trajectory established in the previous year, with revenue increasing by 94%.

The markets in which we operate are becoming increasingly aware of the competitive advantages of our offering. In addition, with a growing recognition of the effectiveness of our solution among existing customers, we are confident that cross-selling and up-selling opportunities will emerge that extend existing contracts to cover multiple maintenance issues.

We are seeing evidence of this in our expanding role with customers in Australia and the UK and also in the unfolding, and very large, opportunity in the USA. This gives us confidence in our growth in future years.

In line with our business plan, expenses were driven by investment in additional people and ongoing product development to maintain our lead in data capture and machine learning analysis. The Company will continue to carefully manage expenditures to ensure a balance between growth and maintaining cash reserves.

From a technology perspective our solution is now well established, such that future R&D will be focused on incremental features and updates for increased capacity. Our emphasis going forward will be raising market awareness and adding channel partners, to expand customer uptake in the world's largest markets.

Our team has adapted well to the constraints imposed by the Covid-19 pandemic, maintaining our ambitious product plan and excellent customer delivery performance. I would like to express the Board's appreciation for our people across three continents and their exceptional dedication and hard work throughout 2020-21.

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

3. REVIEW OF OPERATIONS BY THE CHIEF EXECUTIVE OFFICER

The success of our move to international markets is reflected in the near-doubling of year-on-year revenue and strong demand for our unique AI capabilities for processing railway LiDAR data.

During the year we signed significant new contracts, including a 12-month gauging automation project with Network Rail UK, where we are becoming increasingly embedded. The project is progressing successfully, and customer feedback has been very positive to date. In addition, we secured a scope and value extension of our track scanning and analysis contract with the Australian Rail Track Corporation (ARTC) and our first contracted pilot with Union Pacific Railroad in the USA.

Overview of results

GBP 000's	Twelve months to 30 June 2021	Twelve months to 30 June 2020	% Change	Change constant % currency
Total Revenue	1,690	872	93.8%	94.1%
Cost of sales	604	335	80.3%	92.1%
Total expenses	2,933	1,951	50.3%	40.5%
Grant Income	601	442	35.6%	33.8%
Other income	16	—	—	—
Interest revenue	7	2	250%	324%
Loss before Income tax	(1,223)	(970)	26.1%	(11.9%)

Gross margin improved from 62% to 64% and expense growth in constant currency was 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 FY21 was focused on international expansion and all objectives were achieved. In FY22 our focus is further customer acquisition in our key markets and further growth with existing clients in both miles scanned and the range of analytical products delivered. More miles under management and more products provided to each customer will result in organic growth which will in turn lead to margin improvement owing to the inherent operational gearing within our business. 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.

A key component of our growth will come from our partner strategy, as we move to a "product as a service" model, with large industry partners managing customer engagement. This model has the potential to dramatically increase our market reach and growth prospects and we are very pleased by the progress being made in securing partnerships with major rail engineering and component suppliers.

The Cordel product development focus will expand processing and build capability across the dimensions of data capture, data processing and insights generated, using our innovative machine learning approach and high levels of automation. The nature of the machine learning approach means our offering is in a state of perpetual self-improvement. This is effectively a virtuous circle in which the datasets added from each new customer and application refines our solution's knowledge base and recommended actions.

The target market for Nextcore is surveyors focused on the built environment (bridges, towers and other infrastructure) and terrain (landscape, mines and other land operations). The company has built a global distribution network, to enable access to local markets on a cost-efficient basis. The ongoing focus will be expanding unit volume and associated revenue with currently active distributors and in addition recruiting and enabling new distributors worldwide. A new product, the RN100, was released in late 2020 and development is well progressed on the next generation, as we continue our theme of capturing data faster with more accuracy and with greatly improved levels of data processing automation.

STRATEGIC REPORT (continued)

Ongoing operations

As of 30 June 2021, the Company had cash of £1,538,150 and receivables of £522,212.

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 FY22, acquiring new customers for Cordel and providing greater levels of service to our existing customer base. The market is becoming increasingly receptive to our Cordel solutions and their ability to help rail operators minimise accidents and delays while significantly reducing costs and emissions. In addition, we are developing our distribution network to drive increased Nextcore unit sales. We look forward to delivering further growth in value for our shareholders.

Nicholas Smith
Chief Executive Officer

12 October 2021

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.

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.

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.

STRATEGIC REPORT (continued)

Brexit

Brexit is the withdrawal of the UK from the European Union ('EU'), which came into force on 31 January 2020. To date, the Board has not seen any material adverse impact to the business as a result of Brexit or change in the level of engagement with prospective EU clients and believes this is unlikely to change in the coming year.

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, plus the New South Wales Government in relation to payroll tax. Staff have been able to effectively work from home during the Phase 1 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 any business impact.

STRATEGIC REPORT (continued)

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

12 October 2021

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.

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://maestrano.com/wp-content/uploads/2021/09/Maestrano-Statement-of-QCA-compliance-2021.pdf

On behalf of the directors

Ian Buddery
Chairman

12 October 2021

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Maestrano Group plc (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

The following persons were directors of Maestrano Group plc since incorporation on 6 December 2017 and up to the date of this report, unless otherwise stated:

Ian Buddery	Non-Executive Chairman
Andrew Pearson *(resigned 9 January 2021)*	Executive Director and Chief Executive Officer
Nicholas Smith *(appointed as director on 1 November 2019 and CEO 1 February 2021)*	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 Lojszczyk	Executive Director and Chief Financial Officer

Ian Buddery, aged 64 – 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 Maestrano Pty Ltd in October 2013.

Nicholas Smith, aged 36 – Executive Director and Chief Executive Officer

Results focused with an outstanding record of founding, growing and scaling technical businesses, Nick 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 though 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 Maestrano Group plc being appointed on 6 November 2019.

John Davis, aged 51 – 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 64 – 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 67 – Independent Non-Executive Director

Nick 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 Maestrano Group plc on 13 March 2020.

Robert Lojszczyk, aged 64 – 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 Maestrano Group plc as Chief Financial Officer and Executive Director on 13 March 2020.

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 £970,372 (30 June 2020: £854,298).

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 2021 (30 June 2020: £nil).

Further commentary on the financial results are disclosed in the financial review by the Chief Financial 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 business, 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.

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.

DIRECTORS' REPORT (continued)

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 2021 were as follows:

Nicholas Smith	15.17%
Aaron Hoye	15.17%

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 was appointed auditor during the financial year and pursuant to section 487 of the Companies Act 2006 will be deemed to be re-appointed and therefore continue in office.

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

On behalf of the directors

Ian Buddery
Chairman

12 October 2021

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.

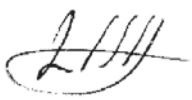
UK Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the United Kingdom and financial statements 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

12 October 2021

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

Opinion

We have audited the group financial statements of Maestrano Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 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 2021 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.

Material uncertainty relating to going concern

The group is in a growth phase and believes it has identified a niche market area to exploit.

During the prior year the group began product commercialisation and revenues have increased 94% year on year. The group have put a significant effort into expanding their sales pipeline to increase their ability to achieve their targeted growth.

A substantial amount of work has been undertaken in preparing the forecasts, there appears to be a robust forecasting process, and the forecasts appear reasonable. There is a proportion of contractual revenue which has a usage element. This usage element, while not being contractual in itself, is effectively certain.

The nature of the business is such that a significant proportion of forecast revenues are non-contractual. As a result, there is a material uncertainty related to whether future revenues will crystalise to a level sufficient to confirm that the company will be able to meet all liabilities as they fall due. There is an element of costs in the forecasts which would not be incurred if revenue targets were not met. Further costs could be curtailed if needed to assist the business to meet its liabilities as they fall due.

The group's ability to continue as a going concern is dependent on them securing sufficient business and managing their cost base accordingly.

Our opinion is not modified in this regard.

INDEPENDENT AUDITOR'S REPORT (continued)

Overview of our audit approach

Key audit matters

1. Going concern

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 of £102,000, which represents 10% of the consolidated loss for the year

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 a loss of £1,021,821 in the year
2. The Covid-19 pandemic has caused significant issues for many businesses, it is not considered to be significantly impacting the group currently
3. There is a risk that given the significant losses and the uncertainty around new contracts being won that the company does not have sufficient funds to meet its debts as they fall due for the foreseeable future
4. Maestrano Pty Limited disclosed material uncertainty relating to going concern in the prior year, and Corridor Holdings Pty Ltd disclosed material uncertainty relating to going concern in the current year.

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 both directly and through distributors
2. We discussed and assessed the progress of discussions for prospective projects
3. We discussed and enquired further with management over the assumptions used to produce the forecasts
4. We assessed the appropriateness of the going concern disclosure in the financial statements in light of the above
5. We discussed this basis with the firm's internal Ethical and Technical Committee who were in agreement

Key observations communicated to the audit committee

1. Based on our audit procedures we agreed with management that it is appropriate to adopt the going concern basis for the financial statements for the year to 30 June 2021
2. We concluded that the going concern basis appears appropriate with material uncertainty relating to the uncertainty around generation of the forecast sales, given that a significant amount of the forecast revenues are non-contractual

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 £102,000 (2020: £97,000) which is 10% of the operating loss for the year (2020: 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 and materiality was therefore updated to reflect the latest loss figure for the year.

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 90% (2020: 90%) of our planning materiality, being £91,800 (2020: £87,300). 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 low.

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 £5,000 (2020: £5,000), which is set as 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 16, 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 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 (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 16, 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
    - 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, misappropriate 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;
- Vouching employees to employment contracts and passport copies;
- Existence testing of fixed assets held at the year end and reviews for possible impairment;
- 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;
- Vouching employees to employment contracts and passport copies;
- 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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.

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

30 September 2021

Notes:

1. The maintenance and integrity of the Maestrano 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 2021

	Note	2021 £	2020 £
Revenue from contracts with customer	5	1,689,998	872,270
Other income	6	616,760	441,617
Interest revenue calculated using the effective interest method		7,057	1,725
Expenses			
Hosting fees and other direct costs		(649,274)	(254,430)
Employee benefits expense	9	(1,711,384)	(1,169,112)
Occupancy expense	8	(21,898)	(106,174)
Depreciation and amortisation expense	8	(113,068)	(36,104)
Initial public offering ('IPO') and other non-operating costs	8	—	(84,990)
Other expenses	8	(1,029,451)	(625,289)
Finance costs	8	(11,112)	(9,462)
Loss before income tax expense		(1,222,372)	(969,949)
Income tax expense	12	200,551	—
Loss after income tax expense for the year		(1,021,821)	(969,949)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Share option reserve		72,148	—
Foreign currency translation		(20,699)	115,651
Other comprehensive income for the year, net of tax		51,449	115,651
Total comprehensive income for the year		(970,372)	(854,298)
Loss for the year is attributable to:			
Non-controlling interest		—	—
Owners of Maestrano Group plc		(1,021,821)	(969,949)
		(1,021,821)	(969,949)
Total comprehensive income for the year is attributable to:			
Non-controlling interest		—	—
Owners of Maestrano Group plc		(970,372)	(854,298)
		(970,372)	(854,298)

		Pence	Pence
Basic earnings per share	33	(0.61)	(0.66)
Diluted earnings per share	33	(0.61)	(0.66)

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 2021

	Note	2021 £	2020 £
Non-current assets			
Goodwill	13	1,223,403	1,223,403
Right to Use Asset	14	132,518	138,963
Property, plant and equipment	15	126,831	80,175
Total non-current assets		1,482,752	1,442,541
Current assets			
Inventories	16	190,154	135,172
Trade and other receivables	17	522,212	181,843
Other	19	723,324	311,889
Cash and cash equivalents		1,538,150	1,564,267
Total current assets		2,973,840	2,193,171
Non-current liabilities			
Lease Liabilities	29	96,588	84,788
Total non-current liabilities		96,588	84,788
Current liabilities			
Trade and other payables	20	340,185	253,414
Employee benefits		126,559	149,687
Unearned Income		10,680	103,091
Contingent consideration	28	—	127,834
Lease Liabilities	29	40,680	70,875
Total current liabilities		518,104	704,901
Net current assets		2,455,736	1,488,270
Total assets less current liabilities		3,938,488	2,930,811
Net assets		3,841,900	2,846,023
Equity			
Share capital	21	1,687,661	1,460,854
Share premium account	22	9,520,634	7,781,192
Other reserves	23	2,331,622	2,280,174
Accumulated losses		(9,698,017)	(8,676,197)
Total equity		3,841,900	2,846,023

The financial statements of Maestrano Group plc (company number 11098701 (England and Wales)) were approved by the Board of Directors and authorised for issue on 12 October 2021.

They were signed on its behalf by:

Ian Buddery
Chairman

Nicholas Smith
Director

12 October 2021

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Share capital £	Share premium account* £	Other reserves £	Accumulated losses £	Total equity £
Balance at 1 July 2019	800,403	7,583,057	2,164,523	(7,706,248)	2,841,735
Loss after income tax expense for the year	—	—	—	(969,949)	(969,949)
Other comprehensive income for the year, net of tax	—	—	115,651	—	115,651
Total comprehensive income for the year	—	—	115,651	(969,949)	(854,298)
Share issue	660,451	198,135	—	—	858,586
Balance at 30 June 2020	1,460,854	7,781,192	2,280,174	(8,676,197)	2,846,023

* 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 2020	1,460,854	7,781,192	2,280,174	(8,676,197)	2,846,023
Loss after income tax expense for the year	—	—	—	(1,021,821)	(1,021,821)
Other comprehensive income for the year, net of tax	—	—	51,449	—	51,449
Total comprehensive income for the year	—	—	51,449	(1,021,821)	(970,372)
Share issue	226,807	1,739,442	—	—	1,966,248
Balance at 30 June 2021	1,687,661	9,520,634	2,331,622	(9,698,017)	3,841,900

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 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Loss before income tax expense for the year		(1,021,821)	(969,949)
Adjustments for:			
Depreciation and amortisation		113,068	36,104
Loss/(Gain) on disposal of equipment		1,272	—
Foreign exchange differences		(14,791)	(150,141)
Share option reserve		72,148	—
Interest received		(7,057)	(1,725)
Interest and other finance costs		11,112	9,462
		(846,069)	(1,076,249)
Change in operating assets and liabilities:			
Increase in inventories		(54,982)	(122,473)
Decrease/(increase) in trade and other receivables		(340,369)	391,245
Decrease in contract assets		—	—
Decrease/(increase) in other operating assets		(411,435)	101,510
(Decrease)/increase in trade and other payables		86,771	(148,630)
Decrease in contract liabilities		—	—
Decrease in other liabilities		(243,373)	(33,114)
		(1,809,457)	(887,711)
Interest received		7,057	1,725
Interest and other finance costs paid		(3,366)	(3,280)
Income taxes paid		—	—
Net cash used in operating activities		(1,805,765)	(889,266)
Cash flows from investing activities			
Aggregate cash flow on acquisition of subsidiary		—	18,310
Proceeds from disposal of fixed asset		2,712	—
Payments for plant and equipment	15	(158,496)	(71,589)
Net cash used in investing activities		(155,784)	(53,279)
Cash flows from financing activities			
Proceeds from issue of shares		1,966,248	—
Cash payments for leases		(18,394)	—
Interest on lease payments		(7,747)	(6,181)
Net cash from financing activities		(1,940,107)	(6,181)
Net (decrease)/increase in cash and cash equivalents		(21,442)	(948,726)
Cash and cash equivalents at the beginning of the financial year		1,564,267	2,247,201
Effects of exchange rate changes on cash and cash equivalents		(4,675)	265,792
Cash and cash equivalents at the end of the financial year		1,538,150	1,564,267

Included in the decrease of trade and other payables during the year were lease payments of £37,093 (2020: £25,410).

Acquisition of Business

Refer to note 13 to these consolidated financial statements for details of the acquisition of business that occurred in the year ended 30 June 2020. The consolidated statement of cash flow has been adjusted for assets and liabilities acquired on acquisition of business detailed in note 13.

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 Maestrano Group plc ('Company') and the entities it controlled at the end of, or during, the financial year (referred to as the 'Group'). The financial statements are presented in Pound Sterling, which is Maestrano 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 Maestrano 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).

Maestrano 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	**Principal place of business**
10 John Street	2/2 Frost Drive
London WC1N 2EB	Mayfield West NSW 2304
United Kingdom	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 12 October 2021. 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.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group:

IFRS 16 Leases

The group adopted IFRS 16 on 1 July 2019 replacing IAS 17 Leases. The standard introduced a new classification of right of use assets whereby all leases other than those that are short term leases or immaterial leases are classified as assets on the balance sheet.

All existing leases at 1 July 2020 had a commitment term of less than 12 months and the Group has used the transitional election to continue to account for leases as operating leases. The leases acquired as part of the business acquisition have been recognised on the cumulative catch-up method. This effected the equity of the business acquisition and therefore there is no impact on Group equity from the initial adoption of IFRS 16.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impact of adoption

The impact of adoption on opening accumulated losses as at the transition date of 1 July 2019 was £nil due to the reasons mentioned above.

The adoption has led to a recognition of a right to use asset and a lease liability in the prior year with further information detailed in note 15 and 29 respectively.

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 group, and made further investment in the pre-existing technology and intellectual property owned by Airsight. 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 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Group reorganisation and comparative information

Maestrano Group plc (previously known as Maestrano Group Limited) was incorporated on 6 December 2017. Shareholders of the former parent company Maestrano Pty Ltd (the 'legal subsidiary'), approved a formal business entity reorganisation, whereby Maestrano Group plc ('the legal parent') became the parent of the Group, effective 19 April 2018, by acquiring all the outstanding shares of the Group's previous ultimate holding company Maestrano Pty Ltd in exchange for the issue of its own shares. This share for share transaction is not a business combination and does not result in any economic substance from the perspective of the Group. The substance of the Group reorganisation is a continuation of the existing Group, as a result the financial statements reflect that fact. This share for share transaction is hereafter referred to as the Group reorganisation and accounted for as follows:

- the consolidated financial statements of Maestrano Group plc are a continuation of the existing Group;
- the difference in share capital is reflected as an adjustment directly to the capital reorganisation reserve in equity;
- retained earnings and other equity balances in the financial statements at acquisition date are those of Maestrano Pty Ltd;
- no 'new' goodwill was recognised as a result of the combination;

Therefore, the consolidated financial statements are presented as if Maestrano Group plc had been the parent company of the existing Group throughout the periods presented. No reclassifications or adjustments to previously reported figures and no changes in the operations of the Group resulted from this change.

- the results for the financial year ended 30 June 2020 comprise the consolidated results for the financial year of the Maestrano Group plc together with the results of Corridor Holdings Pty Ltd, formerly Airsight Holdings Pty Ltd, and its subsidiaries from 1 November 2019 to 30 June 2020.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Maestrano 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Foreign currency translation

The consolidated financial statements are presented in Pound Sterling, which is Maestrano 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 profit or loss statement in the year in which expenses or losses were incurred.

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.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 lease 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.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee benefits

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 vest 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 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 or options 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 Maestrano 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.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 lease

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

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.

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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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.

Cashflow statement

The cash flow statement is prepared under the indirect method.

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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. Refer to note 19 for the accrued revenue asset and the balance sheet for the deferred revenue liability.

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 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 33 for valuation model inputs.

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 2 customers contributing external revenue of more than 10% amounting to £452,967 and £421,895 respectively (2020: 3 customers amounting to £193,216, £179,572 and £93,614 respectively).

Revenue by geographical area

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

	2021 £	2020 £
United Kingdom	421,895	8,150
Australia/New Zealand	1,035,136	763,65
United States of America	(9,828)	20,221
Middle East and Africa	—	—
Asia	220,368	80,243
Europe	22,427	—
Total revenue	1,689,998	872,270

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

NOTE 5. REVENUE FROM CONTRACTS WITH CUSTOMER

	2021 £	2020 £
Enterprise implementation	—	179,572
Enterprise subscriber	—	4,338
Airsight	345,663	186,058
Nextcore	462,849	287,971
Cordel	881,486	214,331
Revenue from contracts with customer	1,689,998	872,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 6. OTHER INCOME

	2021 £	2020 £
Government grants and rebates	600,819	441,617
Other income	15,941	—
Other income	616,760	441,617

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

NOTE 7. EBITDA RECONCILIATION (EARNINGS BEFORE INTEREST EXPENSE, TAXATION, DEPRECIATION AND AMORTISATION)

	2021 £	2020 £
EBITDA reconciliation		
Loss before income tax	(1,222,372)	(969,949)
Less: Interest revenue	(7,057)	(1,725)
Add: Interest expense	11,112	9,462
Add: Depreciation and amortisation	113,067	36,104
EBITDA	(1,105,248)	(926,108)

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

	2021 £	2020 £
Underlying EBITDA reconciliation		
EBITDA and Underlying EBITDA	(1,105,248)	(926,108)

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.

NOTE 8. EXPENSES

	2021 £	2020 £
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	4,110	869
Office equipment	24,684	8,540
Furniture and fixtures	3,083	—
Motor Vehicles	3,335	3,034
Flight Equipment	32,350	2,245
R&D Assets	1,474	—
Total depreciation	69,036	14,688
Amortisation		
Right to Use Asset	44,032	21,415
Total depreciation and amortisation	113,068	36,103
IPO and other non-operating costs		
Restructuring costs and Enterprise Investment Scheme set-up costs, acquisition costs	—	84,990
Total IPO and other non-operating costs	—	84,990
Occupancy expense		
Minimum lease payments	—	93,938
Other occupancy expense	21,898	12,236
Total occupancy expense	21,898	106,174
Finance costs		
Interest and finance charges paid/payable	11,112	9,462
Total finance costs expensed	11,112	9,462
Other expenses		
Travel and entertainment	25,500	30,649
Marketing services	88,156	75,165
IT infrastructure	60,692	17,976
Professional fees	541,990	390,504
Net foreign exchange (gain)/loss	(15,575)	(150,141)
Other	328,688	261,135
Total other expenses	1,029,451	625,289

Research and development costs recorded in the consolidated statement of profit and loss and other comprehensive income were £983,032 in 2021 and £734,945 in 2020. 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:

	2021	2020
Sales and marketing	6	3
Technical	18	12
Finance and administration	3	2
Average number of employees	27	17

The employee benefits expense during the year was as follows:

	2021 £	2020 £
Wages and salaries	1,474,428	1,046,744
Social security costs	50,342	54,520
Other pension costs	121,362	60,952
Share-based payments	65,252	6,896
Total employee benefits expense	1,711,384	1,169,112

Included in other creditors at the period end there was unpaid pension costs of £nil (2020: £12,106)

NOTE 10. DIRECTORS' REMUNERATION

Details of directors' remuneration is set out below:

	2021	2020
Number of directors accruing benefits under money purchase schemes in respect of qualifying services	5	5

The total remuneration in respect of the year ended 30 June 2021 and paid to each director who held office during the year as follows:

2021	Salary and fees £	Share option charge £	Bonus £	Post-employment benefits £	Total £
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

NOTE 10. DIRECTORS' REMUNERATION (continued)

2020	Salary and fees £	Share option charge £	Bonus £	Post-employment benefits £	Total £
Non-Executive Directors:					
Ian Buddery	59,828	—	—	—	59,828
John Davis	33,730	1,722	—	1,012	36,464
Jonathan Macleod	31,839	1,722	—	—	33,561
Nicholas McInnes (appointed 13 March 2020)*	12,534	178	—	—	12,712
Executive Directors:					
Stephane Ibos (resigned 30 December 2019)	21,500	—	—	—	21,500
Andrew Pearson	165,597	1,743	29,745	815	197,900
Craig Holden (resigned 31 August 2019)	18,718	—	—	—	18,718
Nicholas Smith (appointed 6 November 2019)*	55,132	249	—	5,238	60,619
Robert Lojszczyk (appointed 13 March 2020)*	43,709	107	—	4,024	47,840
Total directors' remuneration	442,587	5,720	29,745	11,089	489,141

*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 five.

The number of directors who exercised share options in the year ended 30 June 2021 was none (2020: none).

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:

	2021	2020
Short-term employee benefits	497,313	472,332
Post-employment benefits	19,981	11,089
Share-based payment	20,628	5,720
	537,922	489,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 12. INCOME TAX

	2021 £	2020 £
Income tax expense		
Adjustment recognised for prior periods	—	—
Aggregate income tax expense	—	—
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(1,222,372)	(969,949)
Tax at the statutory tax rate of 23% (2020: 23%)	(284,639)	(223,088)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Income not taxable	(30,701)	—
Research and development expenditure, net of tax credits	(108,704)	15,925
Movement in accruals	74,458	(8,923)
Movement in prepayments	(40,697)	—
Movement in annual leave provision	23,633	—
Movement in LSL provision	(11,264)	—
Movement in superannuation provision	(18,400)	—
Capital allowances in excess of depreciation	(20,598)	—
Other items	(12,428)	47,346
Prior year tax adjustment	(58)	—
Current year tax losses not recognised	444,737	168,740
Temporary differences not recognised	(215,890)	—
Income tax expense	(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 26% (2020: 27.5%), United Kingdom 19.0% (2020: 19.0%), United States of America 21.0% (2020: 21.0%).

	2021 £	2020 £
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	1,876,685	4,533,886
Potential deferred tax asset at domestic tax rates applicable in the countries concerned	356,570	1,007,238

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 £213,802.

	2021 £	2020 £
Deferred tax assets/(liabilities) not recognised		
Deferred tax assets/(liabilities) not recognised comprises temporary differences attributable to:		
Employee benefits	—	21,586
Accrued expenses	—	6,283
Prepayments and work in progress	—	(13,382)
	—	14,487

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

	2021 £	2020 £
Goodwill	1,223,403	1,223,403
	1,223,403	1,223,403

Acquisition

Goodwill relates to the purchase of the Corridor Holdings Pty Ltd group, formerly Airsight Holdings Pty Ltd group, on November 1, 2019. The acquisition was funded by a share issue of 66,045,038 shares as described in note 21. Further consideration was payable dependent upon the sales performance of the group acquired. Further details of this contingent consideration can be found in note 28. The purchase was accounted for under the acquisition method of accounting, whereby the identifiable assets acquired are recorded at fair value. The Group recognises goodwill for the excess of the purchase price over the fair value of the assets acquired and liabilities assumed. As a result of the acquisition, goodwill of £1,223,403 was generated.

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

Consideration paid:

	£
Share issue	858,585
Fair value of contingent consideration	127,834
	986,419

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
	986,419

The acquisition of Airsight Holdings Pty Ltd occurred during the year ended 30 June 2020. In the year ended 30 June 2020 the entity generated revenue of £662,385 and a loss of £76,945. If the entity was consolidated in the results of the Group for the whole year ended 30 June 2020, the loss for that year would have been £231,547.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

	2021 £	2020 £
Right to Use Asset	197,967	160,378
Less: Accumulated depreciation	(65,448)	(21,415)
	132,519	138,963

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

	2021 £	2020 £
0-1 Year	40,062	38,115
1-5 Years	98,210	114,343
	138,272	152,458

The £197,967 right to use asset represents the prior year asset and an addition in the year of a motor vehicle lease of £37,589 and the £65,448 depreciation represents £44,033 of depreciation charged in the year. There were no further additions or disposals.

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

	2021 £	2020 £
Leasehold improvements – at cost	17,073	20,462
Less: Accumulated depreciation	(4,956)	(5,738)
	12,117	14,723
Office equipment – at cost	67,185	49,909
Less: Accumulated depreciation	(39,361)	(17,613)
	27,824	32,296
Furniture and fixtures – at cost	15,133	3,504
Less: Accumulated depreciation	(3,083)	(3,504)
	12,050	—
Motor vehicles – at cost	31,328	32,155
Less: Accumulated depreciation	(21,324)	(18,464)
	10,004	13,691
R&D Assets – at cost	7,664	—
Less: Accumulated depreciation	(1,474)	—
	6,190	—
Flight equipment – at cost	199,687	133,041
Less: Accumulated depreciation	(141,041)	(113,576)
	58,646	19,465
	126,831	80,175

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 £	Right to use Assets £	Total £
Balance at 1 July 2019	—	12,961	—	—	—	—	12,961
Additions	11,992	25,092	—	8,265	23,421	—	68,770
Acquisition on business combination	3.600	20.135	—	23.890	109.620	—	157.245
Disposals	—	(1,848)	—	—	—	—	(1,848)
Depreciation disposed	—	823	—	—	—	—	823
Depreciation acquired on business combination	—	(16,327)	—	(15,430)	(111,331)	—	(143,088)
Depreciation expense	(869)	(8,540)	—	(3,034)	(2,245)	—	(14,688)
Balance at 30 June 2020	14,723	32,296	—	13,691	1,9465	—	80,175
Additions	1,883	23,033	15,133	—	73,197	7,664	120,910
Disposals	—	(5,757)	—	—	(3,126)	—	(8,883)
Exchange differences	(379)	—	—	(352)	(502)	—	(1,233)
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

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 £4,881 which is located in the United Kingdom and plant and equipment with a net book value of £12,554 which is located in the United States of America.

NOTE 16. CURRENT ASSETS – INVENTORIES

	2021 £	2020 £
Inventories	190,154	135,172
	190,154	135,172

The amount of inventories expensed during the period was £562,063 (2020: £127,566).

NOTE 17. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	2021 £	2020 £
Trade receivables	456,929	132,946
Other receivables	65,283	48,897
	522,212	181,843

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

Allowance for expected credit losses

The Group has recognised a loss of £nil (2020: £nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2021. 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	
	2021 %	2020 %	2021 £	2020 £	2021 £	2020 £
Not overdue	—	—	448,842	112,969	—	—
0 to 3 months overdue	—	—	7,337	19,977	—	—
3 to 6 months overdue	—	—	750	—	—	—
Over 6 months overdue	—	—	—	—	—	—
			456,929	132,946	—	—

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 2021 or 30 June 2020.

NOTE 19. CURRENT ASSETS – OTHER

	2021 £	2020 £
Prepayments	95,420	52,072
R&D tax offset refundable	414,102	259,817
Deferred tax asset	213,802	—
	723,324	311,889

The comparative income tax debtor of £259,817 has been amalgamated with other assets for consistency of presentation.

NOTE 20. CURRENT LIABILITIES -TRADE AND OTHER PAYABLES

	2021 £	2020 £
Trade payables	139,616	85,692
Accrued expenses	166,546	121,132
Other payables	34,023	46,590
	340,185	253,414

Refer to note 25 for further information on financial instruments.

There were no contract liabilities as at 30 June 2021 or 30 June 2020.

NOTE 21. EQUITY – SHARE CAPITAL

Capital reconstruction – Group reorganisation

Maestrano 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 Maestrano Group plc was established as Maestrano Pty Ltd's parent/holding entity. Maestrano Group plc determined that the acquisition of Maestrano 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 Maestrano 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 Maestrano Group plc.

	2021 Shares	2020 Shares	2021 £	2020 £
Ordinary shares of £0.01 each – issued and fully paid	168,766,075	146,085,369	1,687,661	1,460,854

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 Maestrano 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 Maestrano 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 Maestrano Group plc on Equity placement	03 Mar 2021	15,342,370	153,424
Balance	30 June 2021	168,766,075	1,687,661

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.

NOTE 21. EQUITY – SHARE CAPITAL (continued)

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.

NOTE 22. EQUITY – SHARE PREMIUM ACCOUNT

	2021 £	2020 £
Share premium account	9,520,634	7,781,192

Movements in share premium account

Detail	Date	£
Balance	01 July 2019	7,583,057
Capital received on acquisition of Corridor Holdings PTY, formerly Airsight Holdings Pty Ltd	01 November 2019	£198,135
Balance	01 Jul 2020	7,781,192
Issue of shares in Maestrano Group plc on Holdback shares as part of Airsight Holdings acquisition	30 Sep 2020	54,451
Issue of shares of in Maestrano Group plc on Equity placement	03 Mar 2021	1,684,991
		9,520,634

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 23. EQUITY – OTHER RESERVES

	2021 £	2020 £
Foreign currency reserve	369,635	390,334
Share option reserve	72,148	—
Capital reorganisation reserve	1,889,840	1,889,840
	2,331,623	2,280,174

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

As explained in note 2, the Group is a continuation of the original Maestrano Pty Limited group. Maestrano 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 effect 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 £
Balance at 1 July 2019	274,683	—	1,889,840	2,176,191
Foreign currency translation	115,651	—	—	115,651
Balance at 30 June 2020	390,334	—	1,889,840	2,280,174
Foreign currency translation	(20,699)	—	—	(20,699)
Equity settled share based transactions	—	72,148	—	72,148
Balance at 30 June 2021	369,635	72,148	1,889,840	2,331,623

NOTE 24. EQUITY – DIVIDENDS

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

NOTE 25. FINANCIAL INSTRUMENTS (continued)

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 £1,220,649 as at 30 June 2021 (2020: £288,853). 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 £122,065 lower / £122,065 higher (2020: £28,885 lower/£28,885 higher). The actual foreign exchange gain for the year ended 30 June 2021 was £15,575 (2020: gain of £150,141).

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 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 2021 and 2020. 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.

NOTE 25. FINANCIAL INSTRUMENTS (continued)

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.

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

2020	1 year or less £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £	Remaining contractual maturities £
Non-derivatives					
Non-interest bearing					
Trade payables	85,692	—	—	—	85,692
Other payables	46,591	—	—	—	46,591
Total non-derivatives	132,283	—	—	—	132,283

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 2021, the following fees were paid or payable for services provided by Oury Clark Chartered Accountants, the auditor of the Company, and its associates.

	2021 £	2020 £
Audit services		
Audit or review of the financial statements	53,000	46,000
Other services		
Accounting assistance	49,887	43,813
	102,804	89,813

NOTE 28. CONTINGENT LIABILITIES

	2021 £	2020 £
Contingent consideration	—	127,834

The contingent consideration related to the purchase of Airsight Holdings Pty Ltd now Corridor Holdings Pty Ltd. The consideration was in the form of a share issue by Maestrano Group PLC and was dependent on the total revenue achieved by the Airsight Holdings Pty Ltd group for the financial year ending 30 June 2020. The consideration was calculated dividing the total revenue achieved by the Airsight Holdings Pty Ltd group in the year ended 30 June 2020 by AU$1,500,000, multiplied by 7,338,337, to determine how many shares were to be issued by Maestrano Group PLC. The shares were issued on 30 September 2020.

The contingent consideration recognised in the accounts in the period ending 30 June 2020 was calculated using the fair value on the date of acquisition. This is recognised in the cost of investment in subsidiaries.

NOTE 29. LEASES

Right-of-use assets

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	160,378	37,589	(21,415)	(44,033)	132,519
	160,378	37,589	(21,415)	(44,033)	132,519

Lease liabilities

Included within current liabilities is a lease liability of £40,680. Included within non-current liabilities is a lease liability of £96,588.

As at 30 June 2021 the Group had not committed to any further lease liabilities that had not yet commenced.

NOTE 29. LEASES (continued)

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 £37,093 and the interest expense for leasing arrangements was £7,747.

NOTE 30. RELATED PARTY TRANSACTIONS

Parent entity and ultimate controlling party

The parent entity and ultimate parent entity is Maestrano Group plc. 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 2021 were £84,000 (2020: £59,828) 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 31. 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%

The Corridor Holdings Pty Ltd group which includes, Corridor Holdings Pty Ltd, Cordel Pty Ltd and Airsight Australia Pty Ltd have been included in the consolidation from the date of acquisition being 1 November 2019.

NOTE 32. EARNINGS PER SHARE

	2021 £	2020 £
Loss after income tax	(1,021,821)	(969,949)
Non-controlling interest	—	—
Loss after income tax attributable to the owners of Maestrano Group plc	(1,021,821)	(969,949)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	168,766,075	146,085,369
Weighted average number of ordinary shares used in calculating diluted earnings per share	168,766,075	146,085,369

	Pence	Pence
Basic earnings per share	(0.61)	(0.66)
Diluted earnings per share	(0.61)	(0.66)

Options and convertible notes have not been included in the diluted earnings per share in the prior year as they were anti-dilutive.

NOTE 33. 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.

During the previous financial year, there were 9,964,722 equity settled share options granted. The share-based payment expense during the prior financial year was recorded as £6,896.

During the current financial year, there were 3,000,000 equity settled share options granted. The share-based payment expense during the financial year recorded as £65,252. No shares were exercised during the year and all 12,964,722 were outstanding.

The fair value of the options granted was calculated using the Black Scholes Model. The inputs used for the shares granted on 01/07/2019 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 inputs used for the shares granted on 13/03/2020 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 inputs used for the shares granted on 17/04/2020 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.

NOTE 33. SHARE-BASED PAYMENTS (continued)

The inputs used for the shares granted on 04/05/2020 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 inputs used for the shares granted on 03/11/2020 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 inputs used for the shares granted on 24/11/2020 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.

Grant date	Nominated Person	Position	Exercise price	Vesting Period	Balance at the start of the year	Granted	Exercised	Cancelled	Balance at 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	—	—	—	1,760,000
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 Hoye	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	—	1,000,000	—	—	1,000,000
24/11/2020	Erik Hendersen	Global Head of Rail Solutions	£0.10	Over 3 years	—	1,000,000	—	—	1,000,000
					9,964,722	3,000,000	—	—	12,964,722
Weighted average exercise price since July 2019					£0.016	£0.100	—	—	£0.035

The weighted average share price during the financial year was £0.013 (2020: £0.18).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.17 (2020: 1.44 years).

At the period end, there were 8,344,722 (2020: 2,826,076) 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 any National Insurance due.

NOTE 34. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2021 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
30 JUNE 2021

	Note	2021 £	2020 £
Non-current assets			
Investment in subsidiary	5	986,419	858,585
Total non-current assets		986,419	858,585
Current assets			
Receivables – amounts due within one year	6	2,128,677	1,678,409
Prepayments		—	—
Cash and cash equivalents		1,082,959	414,150
Total current assets		3,211,636	2,092,559
Current liabilities			
Trade and other payables – amounts due within one year	7	117,223	176,107
Total current liabilities		117,223	176,107
Net current assets		3,094,413	1,916,452
Total assets less current liabilities		4,080,832	2,775,037
Net assets		4,080,832	2,775,037
Equity			
Share capital	8	1,687,661	1,460,854
Share premium account	9	9,520,634	7,781,192
Other reserves		(55,205)	—
Accumulated losses		(7,072,258)	(6,467,009)
Total equity		4,080,832	2,775,037

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 2021 amounted to £605,249 (2020: £614,793).

The financial statements of Maestrano Group plc (company number 11098701 (England and Wales)) were approved by the Board of Directors and authorised for issue on 12 October 2021

They were signed on its behalf by:

Ian Buddery
Chairman

Nicholas Smith
Director

12 October 2021

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Share capital £	Share premium account £	Other reserves £	Accumulated losses £	Total equity £
Balance at 1 July 2019	800,403	7,583,057	—	(5,852,216)	2,531,244
Loss after income tax expense for the period	—	—	—	(614,793)	(614,793)
Share issue	660,451	198,135	—	—	858,586
Other comprehensive income for the period, net of tax	—	—	—	—	—
Total comprehensive income for the period	—	—	—	(614,793)	(614,793)
Balance at 30 June 2020	1,460,854	7,781,192	—	(6,467,009)	2,775,037

	Share capital £	Share premium account £	Other reserves £	Accumulated losses £	Total equity £
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	—	—	(127,353)	—	(127,353)
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	(55,205)	(7,072,258)	4,080,832

NOTES TO THE COMPANY FINANCIAL STATEMENTS

NOTE 1. GENERAL INFORMATION

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 Maestrano 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, Maestrano 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 Maestrano 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.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new and amended Accounting Standards and Interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company because there is no revenue in the company and no expected credit losses as explained in the notes to the financial statements.

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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

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.

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.

Profit and loss account

The Company has elected not to present its own profit and loss account for the period. The Company reported a loss for the financial year ended 30 June 2021 of £605,249 (2020: £614,793).

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

	2021 £	2020 £
Investment in Corridor Holdings Pty Ltd – 100% of issued capital held	986,419	858,585
Investment in Maestrano Pty Ltd – 100% of issued capital held	—	—

Acquisition

The company purchased 100% of the share capital of Airsight Holdings Pty Ltd, now Corridor Holdings Pty Ltd on November 1, 2019. The acquisition was funded by a share issue of 66,045,038 shares. Further consideration was payable dependent upon the sales performance of the group acquired. The fair value of consideration agrees to the investment in the accounts. No impairment has been recognised at the balance sheet date.

A full list of the subsidiaries controlled by the Company is disclosed in note 31 to the consolidated financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

NOTE 6. CURRENT ASSETS – RECEIVABLES – AMOUNTS DUE WITHIN ONE YEAR

	2021 £	2020 £
Receivable from controlled entities	2,077,805	1,631,229
Prepayments	46,998	38,705
Other receivables – representing VAT/GST	3,874	8,475
	2,128,677	1,678,409

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

	2021 £	2020 £
Trade payables	953	19,465
Payable to controlled entities	—	35,432
Accrued expenses	116,270	121,210
	117,223	176,107

NOTE 8. EQUITY – SHARE CAPITAL

	2021 Shares	2020 Shares	2021 £	2020 £
Ordinary shares of £0.01 each – issued and fully paid	168,766,075	146,085,369	1,687,661	1,460,854

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 Maestrano 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 Maestrano 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 Maestrano Group plc on Equity placement	03 Mar 2021	15,342,370	153,424
Balance	30 June 2021	168,766,075	1,687,661

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

NOTE 8. 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.

NOTE 9. EQUITY – SHARE PREMIUM ACCOUNT

	2021 £	2020 £
Share premium account	9,520,634	7,781,192

Movements in share premium account

Detail	Date	£
Balance	01 Jul 2020	7,781,192
Issue of shares in Maestrano Group plc on Holdback shares as part of Airsight Holdings acquisition	30 Sep 2020	54,451
Issue of shares of in Maestrano Group plc on Equity placement	03 Mar 2021	1,684,991
		9,520,634

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 – DIVIDENDS

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

NOTE 11. AUDITOR REMUNERATION

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

NOTE 12. CONTINGENT LIABILITIES

The Company had a contingent liability as at 30 June 2020 which is detailed in note 28 of the consolidated notes to the financial statements. The company had no contingent liabilities as at 30 June 2021.

NOTE 13. RELATED PARTY TRANSACTIONS

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

	2021 £	2020 £
Current receivables:		
Loans to commonly controlled entity	2,077,805	1,631,229
Current payables:		
Loans from commonly controlled entity	—	35,432

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 30 to the consolidated financial statements.

NOTE 14. 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 do not have a fixed expiry date.

During the prior financial year, there were 9,964,722 equity settled share options granted. The share-based payment expense during the prior financial year was recorded as £6,869.

During the current financial year, there were 3,000,000 equity settled share options granted. The share-based payment expense during the financial year recorded as £65,252. No shares were exercised during the year and all 12,964,722 were outstanding.

NOTE 15. PARENT ENTITY AND ULTIMATE CONTROLLING PARTY

The parent entity and ultimate parent entity is Maestrano Group plc. There is no ultimate controlling party.

NOTE 16. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2021 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.