REGISTERED NUMBER: 13714088 (England and Wales)

Annual Report and Financial Statements

for the Year Ended 30th September 2024

for

Kondor AI PLC

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Kondor AI PLC

Company Information
for the Year Ended 30th September 2024

DIRECTORS:	J Bixby B L W Sampson N Hellyer J Kenney
SECRETARY:	B L W Sampson
REGISTERED OFFICE:	16 Great Queen Street London WC2B 5DG
REGISTERED NUMBER:	13714088 (England and Wales)
AUDITORS:	Kreston Reeves LLP Chartered Accountants, Statutory Auditor Second Floor 168 Shoreditch High Street London E1 6RA

Kondor AI PLC (Registered number: 13714088)

Chairman's Report
for the Year Ended 30th September 2024

I am pleased to report Kondor AI's (the Company's), results for the year 1 October 2023 to 30 September 2024. No revenue was generated and a loss for the year of £1,288,350 was incurred in the year under review.

These reflect the start-up costs of the business, professional and other costs relating to the early rounds of equity funding, followed by the Company's IPO on 21 December 2023 and initial development and advertising costs of the Kondor app. Cash and cash equivalents amounted to £610,642 as at 30 September 2024.

During what has been an exciting and transformational year, we have laid a strong foundation for the future of our Company, positioning ourselves at the forefront of the rapidly evolving artificial intelligence (AI) landscape.

Our flagship product, an innovative vision-based AI-driven application, launched on 6 November 2023 has been met with remarkable interest, achieving over 55,000 free downloads since its launch. This early traction highlights the potential of our app to engage users and make a meaningful impact in its category. The response so far has been both encouraging and validating of the significant effort and innovation that has gone into its development. However, as we all know, while user downloads are a critical milestone, it is just one part of the journey toward sustainable growth and profitability.

Over the past year, we have dedicated significant efforts to refining our approach to customer acquisition and enhancing our product. This included testing various business models, such as subscriptions and in-app purchases, while optimising marketing campaigns to boost conversion rates. We have made great strides in refining the app’s features, improving user experience, and incorporating feedback from early adopters. Despite these advancements, revenue generation remains a key challenge, as converting a high number of downloads into paying customers is a complex process requiring careful strategy, targeted marketing, and ongoing product enhancements.

However, in light of recent market developments and evolving priorities, we have realigned our strategy to emphasize strategic partnerships and business development. By pursuing collaborations in the AI, technology, and business sectors, we aim to scale our user base, diversify our offerings, and unlock new revenue streams. This shift positions us to leverage external resources and expertise, accelerating our path to sustained growth and profitability. The potential offer for Ora Technology Plc announced on 23 August 2024 is a key part of this refocused strategy.

I want to express my gratitude to our dedicated team, who have worked tirelessly to bring us to this point, and to our investors for their ongoing support and belief in our vision. While we acknowledge the challenges ahead, we remain confident that we are on the right path and well-positioned to achieve long-term success in the AI market.

As we move forward, we remain committed to creating value for our stakeholders and delivering an AI solution that meets the needs of our users and customers. Thank you for your continued trust and confidence in our Company.

....
J Bixby – Executive Chairman

Date: 29 November 2024 | 2:48:03 PM PST

CORPORATE GOVERNANCE STATEMENT

As Chairman of the Board of Directors of Kondor AI PLC (the Company), it is my responsibility to ensure that the Company has sound corporate governance and an effective Board and committees. The Company is an AQUIS listed Company with a focus on operating the Kondor app, a vision-based AI product that can understand images and answer complex questions.

The Company has adopted the principles of the Quoted Companies Alliance Corporate Governance Code (QCA Code) for small and mid-size quoted companies. The QCA Code identifies ten principles that they consider to be appropriate arrangements and asks companies to provide an explanation on how they are meeting the principles. The Board considers that the Company complies with the QCA Code so far as it is practicable having regard to the size, and complexity of the Company and its business.

This statement outlines how we are complying with the ten principles of the QCA Code, which provide a framework for transparency, accountability, and responsible decision-making. We believe that strong governance is key to fostering innovation, driving growth, and positioning our Company for continued success in a fast-moving technological landscape.

1. Establish a purpose, strategy and business model which promotes long-term value for shareholders
The Company's strategy and business model were established and set out in the Company's IPO Admission Document. The strategy is reviewed, assessed and revised at Board meetings as required.

The Board considers that the key challenge in executing the Company's plan is the pace of change in the AI market. We continuously monitor and adapt our strategy to respond to technological advancements and customer expectations, ensuring we create sustainable value for our shareholders. We are committed to diversifying our product offerings to expand our market presence and create new revenue streams.

The Board intends to deliver shareholder returns through capital appreciation. Challenges to delivering strategy, long term goals and capital appreciation are uncertainty in relation to operational, financial and strategic risks, all of which are outlined in the Risk Management section below.

2. Promote a corporate culture that is based on ethical values and behaviours
Accountability and transparency are key to fostering trust with our stakeholders. We maintain open lines of communication with shareholders, contractors, suppliers, and partners, ensuring that our decision-making processes are clear and that we are responsive to feedback. We hold ourselves accountable to the highest standards of ethical conduct, ensuring that all our AI products and technologies are developed and deployed responsibly.

The Board places great importance on the preparation of clear and accurate financial statements which are audited in accordance with International Standards on Auditing.

3. Seek to understand and meet shareholder needs and expectations
The Board believes in maintaining an open and transparent relationship with our shareholders, ensuring they are kept informed about the Company's performance, strategic direction, and future prospects. Regular communication with investors is key, and we provide updates through our Annual Reports, half-yearly results, and investor presentations.

We also engage directly with shareholders at our annual general meeting (AGM) and through one-on-one meetings to better understand their expectations and ensure alignment between the Company's goals and their interests.

4. Take into account wider stakeholder and social and environmental responsibilities and their implications for Iong-term success
In developing AI solutions, we recognise our responsibility to consider the wider impact of our technology on society and the environment. We strive to build AI systems that are ethical, transparent, and unbiased, promoting fairness and inclusivity in all our products.

The Company is committed to being honest and fair in all its dealings with its partners, contractors, suppliers and key stakeholders and encourages the same in return. The Company promotes equal opportunities regardless of race, gender, gender identity or reassignment, age, disability, religion or sexual orientation.

In terms of its shareholders, the Company aims to provide transparent and balanced information to encourage support and confidence in the Board's approach.

The Board recognises that the long-term success of the Company is reliant upon the efforts of its stakeholders and has close ongoing relationships with a broad range of its stakeholders.

5. Embed effective risk management, internal controls and assurance activities, considering the opportunities and threats, throughout the organisation
Given the rapidly evolving nature of AI and technology markets, risk management is a core component of our governance framework.

We proactively identify and manage risks related to product development, cybersecurity, data privacy, regulatory compliance, and market competition. The Board has oversight of the Company's risk management processes, ensuring that we are equipped to address both known and emerging risks. We conduct regular reviews of our risk landscape to ensure the implementation of effective risk mitigation strategies

The following table sets out the key risks and outlines the mitigating actions which are in place. This matrix is updated as changes arise in the nature of risks or the mitigating actions implemented, and the Board reviews these on a regular basis.

Risk	Potential Impact	Mitigation
Fast moving AI landscape	AI products being obsolete before they get to the market	The Board will monitor the intended market, adapting its approach and products as necessary. The Board will consider the speed at which new products can be developed.
Free app downloads not converting to paid for downloads	Unsatisfactory revenue generation	The Board will work to ensure the app is continually developed in such a way that the paid for content is sufficiently better than the free content without compromising the free content. The Board will continue to work to identify partnerships and alliances that increase the user base and diversify the Company's offerings.

The Board considers that an internal audit function is not considered necessary or practical due to the size of the Company and the day-to-day control exercised by the Directors. However, the Board will monitor the need for an internal audit function. The Board has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

6. Establish and maintain the Board as a well-functioning, balanced team led by the Chair
The Board is composed of a diverse group of Directors with expertise in artificial intelligence, technology development, business strategy, and corporate governance. We ensure a balanced team, with the necessary skills to guide our Company through both the challenges of innovation and the complexities of scaling a technology business.

The Board consists of four Directors, the Executive Chairman, Finance Director and two Non-Executive Directors. The Board maintains that the Board's compositions will be frequently reviewed as the Company develops.

The Company has in place three committees: Audit and Risk Committee, Remuneration Committee and The Aquis Rule Compliance Committee.

The Directors of the Company are committed to sound governance of the business, and each devotes sufficient time to ensuring this happens. The Board meets no less than 4 times per year and the committees at least one to two times per year each. Board meetings cover regular business, investments, finance and operations. The Chairman prepares the board agenda and circulates relevant documents. The Chairman is responsible for ensuring that relevant and accurate information is supplied for all board and committee meetings.

7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities. The Directors bring a wide range of technical and commercial experience to the table, including expertise in AI, machine learning, product development, intellectual property, and scaling technology companies. To stay ahead of emerging trends in AI and ensure we remain competitive, we support our Board members with ongoing professional development opportunities. Directors are regularly briefed on developments in technology, regulatory changes, and best practices in governance, ensuring they are well-equipped to make informed decisions that support the long-term success of the business.

Board composition is always a factor for contemplation in relation to succession planning. The Board will seek to take into account any Board imbalances for future nominations, with areas taken into account including board independence and gender balance. The Company considers that at this stage of its development and given the current size of its Board, it is not necessary to establish a formal Nominations Committee. Instead, appointments to the Board are made by the Board as a whole. This position, however, is reviewed on a regular basis by the Board.

The Board is committed to, and ultimately responsible for, high standards of corporate governance and notes the departure from the Code in terms of independence on the Board. The Board reviews the Company's corporate governance arrangements regularly and expects these to evolve over time, in line with the Company's growth. The Board delegates responsibilities to committees and individuals as it sees fit.

It is the role of the Chairman to manage the Board and advise its conduct. The Chairman is responsible for the day to day management of the Company's activities.

The matters reserved for the Board are:

a) Defining the long-term strategy for the Company.
b) Approving all major investments.
c) Approving any changes to the capital and debt structure of the Company.
d) Approving the full year and half year results and reports.
e) Approving resolutions to be put to the AGM and any general meetings of the Company.
f) Approving changes to the Advisory team.
g) Approving changes to the Board structure.

The Board delegates authority to the Audit and Risk Committee, the Remuneration Committee and the Aquis Rule Committee, to assist in meeting its business objectives and the committees meet independently of Board meetings. The membership of each committee is listed below.

Audit and Risk Committee
The Audit and Risk Committee, with formally delegated duties and responsibilities, is chaired by Nicholos Hellyer and its other member is Jill Kenney. The Audit and Risk Committee is responsible for overseeing the Company's financial performance, ensuring it is accurately reported and effectively monitored. This includes reviewing the annual and interim accounts, results announcements, internal control systems, procedures, and accounting policies. The committee also plays a vital role in overseeing the Company's audit process by engaging with external auditors, assessing the audit plan, and addressing any significant findings. Additionally, it is tasked with keeping under review the categorisation, monitoring, and overall effectiveness of the Company's risk assessment and internal control processes, as well as evaluating the Company's internal financial controls and broader risk management systems.

Remuneration Committee
The remuneration committee, which comprises Jill Kenney and Jonathan Bixby, is responsible for the review and recommendation of the scale and structure of remuneration for the Company's senior executives, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Company. The Remuneration Committee is chaired by Jill Kenney.

The Aquis Rule Compliance Committee
The Aquis Rule Compliance Committee comprises Jonathan Bixby and Benjamin Sampson and is chaired by Jonathan Bixby. The Aquis Rule Compliance Committee is responsible for ensuring compliance with the rules of the Aquis stock exchange.

The Company does not have a nomination committee as the Board does not consider it appropriate to establish such a committee at this stage of the Company's development. Decisions which would usually be taken by the nomination committee will be taken by the Board as a whole.

The Board ensures that procedures, resources and controls are in place to ensure that AQSE Growth Market Access Rulebook compliance by the Company is operating effectively at all times and that the executive Directors are communicating effectively with the Company's AQSE Corporate Adviser regarding the Company's ongoing compliance with the AQSE Growth Market Access Rulebook and in relation to all announcements and notifications and potential transactions.

The Board also ensures that the governance processes evolve with the Company as we grow and diversify our product portfolio, so we can continue to make sound decisions that drive innovation, growth, and profitability.

8. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement
The Directors consider that the Company and Board are not yet of a sufficient size and complexity for a full Board evaluation to make commercial and practical sense. The Board acknowledges that it is non-compliant with its processes to evaluate the performance of the Board. As the Company grows it is expected that the Board will need to expand and with this, Board evaluation will be required.

In view of the size of the Board, the responsibility for proposing and assessing candidates to the Board as well as succession planning is retained by the Board. All Directors will submit themselves for re-election at AGMs at regular intervals.

9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.
We have established a remuneration policy that aligns with our purpose of driving ethical AI innovation, our strategy for sustainable growth, and our collaborative culture. The policy ties a significant portion of compensation to long-term performance. Equity-based rewards, such as stock options, foster a sense of ownership and commitment to long-term value creation.

10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Board is committed to transparency in all aspects of the Company's corporate governance practices. This Corporate Governance Statement provides a detailed account of how we are applying the principles of the QCA Code, and we will continue to update our shareholders and other stakeholders on our governance practices through our Annual Report and on our website.

The Company's website includes all historic Annual Reports, results announcements and presentations, and other governance-related material. These can be found in the Investor Relations section. This section of the website also includes the results of all AGMs.

We believe that clear communication is essential for fostering trust and ensuring that we are held accountable to the principles of good governance.

....
J Bixby – Executive Chairman

Date: 29 November 2024 | 2:48:03 PM PST

Strategic Report
for the Year Ended 30th September 2024

The Directors present their strategic report for the year ended 30th September 2024.

STRATEGY

Kondor AI PLC (the Company) sits at the forefront of a technological revolution, harnessing the power of artificial intelligence seamlessly integrated with advanced smartphone camera capabilities. The advent of vision-based AI offers the potential to change the way that people use their mobile phone cameras for a vast array of use cases. The Kondor technology is a phone agnostic app that allows users' camera phones to easily interact with AI.

The Company's business strategy has two core elements, product development and sales and marketing. Development of the free "version one" Kondor app was successful and has been available on the Apple and Google App stores since 6 November 2023. Following an online advertising campaign, the paid for "VIP" product has been launched.

PRINCIPAL ACTIVITY

The principal activity of the Company during the period under review was the development and promotion of advanced vision-based Artificial Intelligence (AI) products, which have been made available for free download and have garnered significant user interest, though no sales have been generated to date.

REVIEW OF BUSINESS

The Company is at an early stage of operation and was admitted to the Access segment of the Aquis Stock Exchange Growth Market on 21 December 2023.

The results show a loss of £1,288,350 (10 months ended 30 September 2023 - £17,000) during the period with Net Assets of £841,442 (10 months ended 30 September 2023 - Net Liabilities £17,016), of which £610,642 (10 months ended 30 September 2023 - £nil) was in the form of cash & cash equivalents.

On 23 August 2024, the Company entered non-binding heads of terms with Ora Technology PLC (Ora) to acquire the entire issued and to be issued share capital of Ora Technology PLC, in consideration for the issue of new shares in the Company based on 0.9988 Kondor share for each share in Ora.

In light of this potential acquisition, the Company requested and was granted a suspension of their shares from trading on the Access Segment of the AQUIS stock exchange with effect from 23 August 2024. At the balance sheet date, negotiations were ongoing and the Company's shares remained suspended from trading.

PRINCIPAL RISKS AND UNCERTAINTIES
The Directors have a responsibility to identify risks facing the business and put in place procedures to mitigate and monitor risks. Board meetings incorporate a review of monthly management accounts, operational and financial KPIs and discussion of future developments.

Key Performance Indicators
The main KPIs for the Company are listed as follows:

- Cash flow in the period - all outgoings have been adequately covered by cash reserves. The Board is confident that future cash outgoings are covered by cash reserves or will be covered by cash inflow.
- App downloads - the Board is happy with the 55,000+ app downloads during the year. As the app continues to be developed, this is anticipated to increase.
- Paid for app downloads - there are currently no paid for app downloads. As discussed in the Chairman's Report this will be one of the main focuses for the Company in the coming year alongside increasing non paid for downloads.

Principal risks and uncertainties
Early-stage technology companies present an opportunity for potentially high returns but at the same time these companies are pre revenue and their business models may not prove to be as successful as hoped.

The Board considers the following to be of particular relevance, but this is by no means an exhaustive list.

Risk relating to revenue generation

User resistance to paid features: There is a risk that users who downloaded the app for free may not be willing to pay for additional features or subscriptions leading to lack of revenue.

Aggressive advertising: Introducing too many adverts or excessively pushing premium features may alienate users, causing a drop in engagement and retention.

Uncertain pricing model: Determining the optimal pricing model (e.g., subscription vs. one-time payment) can be challenging, and mispricing could hinder revenue growth.

Market and competitive risks

Saturated market: The AI app market is highly competitive, with many players vying for user attention. New entrants or established competitors could introduce similar or more advanced solutions, reducing the app's market share.

Changing user preferences: Users may lose interest in the app over time, particularly if new competitors offer superior or more compelling solutions.

Customer acquisition costs: The cost to acquire new customers through marketing (paid ads, influencer marketing) may be high relative to the revenue generated, leading to poor return on investment.

Technological and operational risks

Performance issues: If the AI models or app features fail to deliver consistent, high-quality results, user satisfaction may decrease, affecting retention rates.

Scaling challenges: As the user base grows, the infrastructure may need to be upgraded to handle increased traffic and data processing, which could introduce operational costs or technical challenges.

Data privacy and security risks: Ensuring the security of user data is paramount. A data breach could damage the Company's reputation, result in legal consequences, and erode user trust.

Financial risks

Revenue generation delay: The transition from a free app to a paid model may take longer than expected, affecting cash flow and financial projections.

Funding Requirements: If additional funding is required to scale operations, refine features, or increase marketing efforts, the Company could face financial constraints.

Currency Risk: Ongoing management and operational costs are denominated in pounds sterling. However, the Company's growth prospects include increasing trading activity worldwide. The Company may therefore be exposed to ongoing currency risk which may negatively affect the Company's cash flows, operating results or financial condition to a material extent.

The Directors of the Company define the risk management policy. The objective of this policy is to identify and analyse the risks facing the Company, to manage the risks and to ensure compliance within defined acceptable limits. The risk management policy and systems are regularly reviewed to take into account changes in market conditions and activities of the Company.

SECTION 172(1) STATEMENT

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of Its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172(1) are for the Directors to:

- Consider the likely consequences of any decision in the long term
- Act fairly between the members of the Company
- Maintain a reputation for high standards of business conduct
- Consider the interests of the Company's employees
- Foster the Company's relationships with suppliers, customers and others
- Consider the impact of the Company's operations on the community and the environment

The following summarises how the Directors fulfil their duties:

To ensure that the Board take account of the likely consequences of their decisions in the long term, they receive regular and timely information on all the key areas of the business including financial performance, operational matters, health and safety, environmental reports, risks and opportunities. The Company's performance and progress is also reviewed regularly at Board meetings.

The Directors' intentions are to behave responsibly towards all stakeholders and treat them fairly and equally, so that they all benefit from the long-term success of the Company.

Stakeholders of the Company include employees (Directors), shareholders, customers, suppliers, creditors of the business and the community in which it operates.

The Directors recognise that the Company's success is closely tied to the long-term partnerships it builds with suppliers and customers. They work to collaborate with partners who share the Company's vision for ethical AI development, while ensuring that customer needs are listened to and met. The Directors prioritize offering robust support to help customers fully leverage the potential of the Company's technology.

The Directors believe in upholding high standards of transparency, ethical conduct, and compliance with legal requirements. They have implemented robust governance practices to ensure the Company's AI development adheres to the highest standards of fairness, accountability, and transparency, which is essential for maintaining stakeholder trust and confidence.

As responsible corporate citizens, the Directors are committed to minimising the environmental footprint of the Company's operations. They actively seek ways to reduce energy consumption and waste in both the research and development processes and in the broader deployment of products.

In all these areas, the Directors aim to make decisions that align with the long-term success of the Company, while carefully weighing the interests of its diverse stakeholder groups. Their ongoing commitment is to drive innovation, achieve financial growth, and create a positive societal impact through the development of AI technology.

FUTURE DEVELOPMENTS

The Kondor app will continue to be developed, with the focus on paid for downloads. The Board will continue to look for opportunities that will enable the Company to diversify its offering and provide the resources necessary for the next stage of growth.

The potential acquisition of Ora Technology PLC is still at the negotiation stage. The companies are working together to identify the synergies and opportunities such a merger would offer and are excited to explore how their combined expertise and resources can drive innovation, enhance market presence, and deliver greater value to stakeholders.

ON BEHALF OF THE BOARD:

Benjamin Sampson
....

B L W Sampson - Director

Date: 29 November 2024 | 5:25:51 PM GMT

Report of the Directors
for the Year Ended 30th September 2024

The Directors present their report with the financial statements of the Company for the year ended 30th September 2024.

INFORMATION INCLUDED IN THE STRATEGIC REPORT
The review of the business and details of risks and uncertainties are disclosed in the Chairman's Statement and Strategic Report.

CHANGE OF NAME
The Company passed a special resolution on 27th October 2023 changing its name from North Gate Management Incubator PLC to Kondor AI PLC.

PRINCIPAL ACTIVITY
The principal activity of the Company in the year under review was that of the development and promotion of advanced vision-based Artificial Intelligence (AI) products, which have been made available for free download and have garnered significant user interest, though no sales have been generated to date.

DIVIDENDS
The trading results for the year ended 30 September 2024 and the Company's financial position at that date are shown in the attached financial statements.

The Company has not declared a dividend for the period ended 30 September 2024 (2023 - £nil).

EVENTS SINCE THE END OF THE YEAR
Events after the reporting date are disclosed in note 16.

POLITICAL DONATIONS
The Company did not make any donations to political parties during the year (2023 - nil).

DIRECTORS
The following served during the period but ceased to be Directors before the period end of 30 September 2024:
G J Peacock - 9 October 2023
J E Sloss - 9 October 2023
N J Lyth - 31 October 2023

The following were appointed as Directors during the period and continue to be Directors up to the date of signing this report:
B L W Sampson - 31 October 2023
J Bixby - 19 October 2023
N Hellyer - 21 December 2023
J Kenney - 21 December 2023

KEY PERSONNEL
Jonathan Bixby - Executive Chairman
Jonathan Bixby has significant experience in quoted companies, and in the technology and networking sectors, and in particular was a founder and major investor in Cykel AI, Argo Blockchain, Guild Esports and Cellular Goods - all listed on the London Stock Exchange. Jonathan is also the Executive Chairman of Phoenix Digital Assets PLC and FileForge, both listed on the AQUIS market. Prior to this, Jonathan was a board member and investor in East Side Games, Koho Financial and Blue Mesa Health (sold to Virgin Pulse). Previous to this, Jonathan was the CEO of Strangeloop Networks, a networking Company which focused on providing hardware appliances in data centres to speed up web-based properties. Strangeloop was sold to Radware in 2013. Jonathan was a founder and Chair of the Board of Ironpoint Technology which provided technology-based content management services. Ironpoint was sold to Active Network in 2006.

Jonathan is a well-known investor and advisor to numerous healthcare, networking and software companies including Alavida, TSO Logic, Rubikloud, Neurio and Layerboom.

Jonathan chairs the Aquis Rule Compliance Committee and is on the Remuneration Committee.

Benjamin Sampson - Finance Director
Benjamin Sampson is Managing Partner at Sampson Fielding Ltd. Ben is a Chartered Accountant with experience in taxation, financial compliance and advisory services to small and medium-sized firms. Ben has significant experience working with start-ups and loves helping Company founders grow their businesses. Ben has experience in various sectors, including but not limited to private equity, technology and marketing.

Ben is on the Company's Aquis Rule Compliance Committee.

Jill Kenney - Non-Executive Director
Jill Kenney is a dynamic executive with 20+ years of experience spanning marketing, gaming, technology, and digital media, specializing in strategic innovation and scalable growth. As CEO and Co-Founder of Paidia Gaming, Jill has successfully raised millions in venture funding while scaling multiple business units, including gaming-adjacent technology products reaching 200,000+ users. Previously, as Head of Red Bull Media Network, she led content, programming, and communications teams in developing strategic media initiatives across multiple platforms, demonstrating expertise in product development, go-to-market strategy, and cross-functional team leadership.

Jill's track record includes building diverse teams, securing partnerships with industry leaders like e.l.f. Cosmetics and Xbox, and delivering innovative products and solutions that reach mass audiences.

Jill chairs the Remuneration Committee and is on the Company's Audit and Risk Committee

Nicholos Hellyer - Independent Non-Executive Director
Nicholos is currently CFO of AIM-quoted ad tech Company Mirriad, and has previously held CFO roles at data analytics Company Pelatro as well as specialist infection prevention and control Company Byotrol (both also AIM). Nicholos qualified as a Chartered Accountant with KPMG in London and then moved into investment banking where he advised small and midcap companies in a wide range of transactions, including IPOs, fundraisings, public Company M&A and private Company sales and acquisitions, holding senior roles at UBS and HSBC.

He has IPO'd companies as CFO on both on the London AIM exchange and NASDAQ and served on a number of other public Company boards in non-executive Director roles.

He has a B.Sc. in Geography and Geology (First Class) from Kings College, University of London.

Nicholos chairs the Company's Audit and Risk Committee.

Details of the function of each of the Committees is given in the Chairman's Corporate Governance report.

IMPACT OF OPERATIONS ON THE COMMUNITY AND ENVIRONMENT
In evaluating the impact of its operations on the community and environment, the Company recognises both its responsibility and the opportunity to create meaningful, positive change. As a developer of AI-driven applications, the Company is acutely aware of the importance of ethical practices, data privacy, and transparency to build trust within the communities it serves. Operations are structured to minimise environmental impact through sustainable resource use, energy-efficient data processing, and waste reduction.

MAINTAIN A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT
The corporate governance section of this annual report sets out the board and committee structures and extensive board and committee meetings held during the year, together with the experience of executive management and the board and the Company's policies and procedures.

ACT FAIRLY BETWEEN MEMMBETS OF THE COMPANY
The board takes feedback from a wide range of shareholders (large and small) and endeavours at every opportunity to pro-actively engage with all shareholders (via regular reporting and meetings) and engage with any specific shareholders in response to particular queries they may have from time to time.

RELATED PARTY DISCLOSURES
Related party transactions and relationships are disclosed in note 15.

GOING CONCERN
The Company's business activities, together with the factors likely to affect its future development, performance and position have been assessed by the Board. The financial position of the Company, its cash flows and liquidity position are presented in the Annual Report and Financial statements.

The Company is a technology start-up focusing on the development of a cutting-edge artificial intelligence (AI) application, with significant investments in research and development. The Company is in the early stages of operations and has incurred losses to date, consistent with its growth and development phase. As of the date of this report, the Company's current liabilities exceed its current assets.

As part of the going concern assessment, the Directors have reviewed the Company's detailed financial projections and downside sensitivities for the period through to 30 November 2025. These financial projections take into account the future expected revenue, expenditure and principal risks and uncertainties that the Company faces as detailed in the Strategic Report.

To improve the financial outlook, the Company has identified mergers and acquisitions as a key strategy to enhance its market position, strengthen operational capabilities, and leverage complementary technologies. The Board is actively exploring opportunities to partner with or acquire companies that can offer strategic synergies, access to new technologies, and additional revenue streams. These activities are expected to support the Company's ability to fund its operations, expand its market reach, and ultimately achieve profitability. At the year end and at the date of signing this report, the Company is in negotiations to purchase the share capital of Ora Technology PLC.

After making the appropriate inquiries and taking into account the matters set out above, the Directors are satisfied and have a reasonable expectation that the Company has adequate financial resources to continue in operational existence until 30 November 2025 and thus have adopted the going concern basis of accounting in the preparation of the financial statements.

STREAMLINED ENERGY AND CARBON REPORTING
The Company is a low energy user and as such is exempt from reporting under these regulations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

DISCLOSURE AND TRANSPARENCY RULES
Details of the Company's share capital and warrants are given in Notes 12 and 18 respectively. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown above. The provisions covering the appointment and replacement of Directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS
The auditors, Kreston Reeves LLP, were appointed on 3 January 2024 and will be proposed for re-appointment, in accordance with Section 489 of the Companies Act 2006, at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Benjamin Sampson
....
B L W Sampson - Director

Date: 29 November 2024 | 5:25:51 PM GMT

DIRECTORS REMUNERATION

Remuneration policies

The current Directors' remuneration polices are set out in individual services contracts between the Company and the respective Director. The Directors are not required to comply with any shareholding qualifications.

Service contracts

The Directors have entered into service agreements with the Company and will continue to be employed until terminated by either party and observing the correct notice period however the Company has grounds to terminate the contract immediately in certain circumstances. All Directors' fees are to be reviewed on the first anniversary of the admission to trading on the AQSE stock exchange.

Each Director is paid at a rate per annum as follows:

Toro Consulting Ltd on behalf of Jonathan Bixby	£144,000 per annum
Benjamin Sampson	£40,000 per annum
Jill Kenney	£24,000 per annum
Nicholos Hellyer	£24,000 per annum

REMUNERATION REPORT

Particulars of Directors' remuneration, including Directors' warrants which, under the Companies Act 2006 are required to be audited.

Remuneration paid to the Directors' during the year ended 30 September 2024 was:

	Directors' Salaries £	Directors' Consultancy Fees £	Total £
Jonathan Bixby *	-	144,000	144,000
Benjamin Sampson	33,889	-	33,889
Jill Kenney	-	18,000	18,000
Nicholos Hellyer	18,667	-	18,667
	52,556	162,000	214,556

* Payments made to Toro Consulting Ltd a Company owned and controlled by Jonathan Bixby.

There were not remuneration payments to Directors during the previous period.

Payments for loss of office

There were no payments for loss of office (2023 - £nil).

Bonus and incentive plans

There were no bonus and incentive plans in place during the year (2023 - nil).

Percentage change in the remuneration of the Chief Executive

At the year end, the Company did not have a Chief Executive and as such, no CEO disclosure is required.

Directors' meeting attendance

The following table shows the number of scheduled meetings held by the Company and the Board members attending each meeting.

	Board	Audit and Risk Committee	Audit Committee	Aquis Rule Compliance Committee
J Bixby	5	5	5	5
B Sampson	5	5	5	5
J Kenney	5	5	5	5
N Hellyer	5	5	5	5

Directors' interests in shares

The Directors at the date of the financial statements who served, and their interest in the ordinary shares of the Company, are as follows:

	Year ended 30 September 2024		
	Ordinary shares	**Share warrants**	**% ownership**
J Bixby *	49,000,000	26,000,000	27.21%
B Sampson	500,000	2,000,000	0.28%
J Kenney	-	2,000,000	-
N Hellyer	-	2,000,000	-

	Period ended 30 September 2023		
	Ordinary shares	**Share warrants**	**% ownership**
N Lyth	1	-	100%

* All holdings by J Bixby are in the name Toro Consulting Ltd which is controlled by the Director.

Directors held the following warrants at the end of the year:

	Granted during year	**At 30 September 2024**	**Exercise price**	**Latest date of exercise**
Toro Consulting Ltd *	26,000,000	26,000,000	£0.03	30 November 2026
B Sampson	2,000,000	2,000,000	£0.03	30 November 2026
J Kenney	2,000,000	2,000,000	£0.03	30 November 2026
N Hellyer	2,000,000	2,000,000	£0.03	30 November 2026
	32,000,000	32,000,000		

* Toro Consulting Ltd is a Company owned and controlled by Jonathan Bixby.

Significant shareholders

As at 15 November 2024, so far as the Directors are aware, the parties (other than the interests held by Directors) who are directly or indirectly interested in 5% or more of the nominal value of the Company's share capital is as follows:

	Number of ordinary shares	**Percentage of issued share capital**
Fidelio Partners Pte	20,000,000	11.11%
Crowdform Ltd	10,000,000	5.5%

Director indemnification

In the absence of a specific Director & Officer Liability Insurance policy, the Company has entered into Indemnification Agreements with each Director. These Agreements provide for the Company's indemnification in the event of any proceedings brought against a Director.

Jill Kenney
....
J Kenney – Director – Remuneration Committee Chair

Date: 29 November 2024 | 7:30:15 PM GMT

Opinion

We have audited the financial statements of Kondor AI PLC (the 'Company') for the year ended 30 September 2024 which comprise the statement of comprehensive income, statement of financial position, statements of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2024 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs adopted by the United Kingdom; and
- Have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included the following:

- Gained an understanding of the systems and controls around managements' going concern assessment, including for the preparation and review process for cash flow forecasts.
- Analysed the financial strength of the business at the year-end date as well as from post year-end financial information.
- Testing the mechanical integrity of management's cash burn model by checking the accuracy and completeness of the model, including challenging the appropriateness of estimates and assumptions with reference to external evidence.
- Based on our above assessment we performed our own sensitivity analysis in respect of the key assumptions underpinning the cash flow forecasts.
- We performed stress-testing analysis on the core cash expenditure of the business to confirm the liquidity required over the next 12 months and that there is sufficient liquidity available to meet those requirements.
- We considered post year end performance of the business and the availability of funds in accordance with the entity's plans for continuing operational activities and future growth ambitions.
- We reviewed the adequacy and completeness of the disclosure included within the financial statements in respect of going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our application of materiality

	Company financial statements (2024)	Company financial statements (2023)
Materiality	£17,000	£170
Basis for determining materiality	2% of net assets	1% of expenditure
Rationale for benchmark applied	The rationale for using net assets as the benchmark for materiality calculation is due to the Company's focus on asset utilisation to generate future revenues, given its early-stage status and significant upfront expenses.	The rationale for using expenditure as the benchmark for materiality calculation is due to the Company being pre-trade and pre-launch of the product. Therefore, expenditure was the most significant area of the financial statements.
Performance materiality	£12,000	£136
Basis for determining performance materiality	70% of materiality (AQSE listed)	80% of materiality (Private company)
Rationale for performance materiality applied	On the basis of our risk assessments, together with our assessment of the company's overall control environment and the company now being listed, therefore reporting to the external shareholders, our judgement was that performance materiality should be calculated at 70% of our planning materiality. In assessing the appropriate level, we considered the minimal audit differences identified in the previous year's audit.	On the basis of our risk assessments, together with our assessment of the company's overall control environment and the company's infancy, our judgement was that performance materiality should be calculated at 80% of our planning materiality.
Triviality threshold	£900	£10
Basis for determining triviality threshold	5% of materiality	5% of materiality

We reported audit differences found in excess of our triviality threshold to the directors and the management board and adjusted as and where appropriate.

Key audit matters

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

Going concern	
Significance and nature of key risk The assessment of the going concern assumption was a key audit matter due to the significant judgment required by management to evaluate the entity's ability to continue as a going concern. This assessment involved analysing a range of factors, including the entity's liquidity, operating performance, forecasted cash flows, and potential impact of current economic conditions and market uncertainties. The inherent uncertainty in predicting future cash flows and identifying the potential need for additional financing made this area particularly complex and crucial to the entity's audit as the revenue-generating asset is not yet fully developed and marketable.	**How our audit addressed the key risk** Our audit procedures included, but were not limited to, the following: *Reviewing Management's Going Concern Assessment:* We examined management's assessment of the entity's ability to continue as a going concern for at least 12 months from the reporting date. This involved evaluating the processes and controls in place to prepare this assessment, as well as assessing the consistency and reasonableness of key assumptions used in the cash flow forecasts, including cost control measures and the timing of cash inflows and outflows. *Evaluating Forecasted Cash Flows and Liquidity Position:* We obtained and reviewed management's cash flow forecasts, analysing whether they appeared reasonable based on historical performance, current economic conditions, and other available information. We also reviewed the entity's liquidity position, current and post year end cash burn rate to evaluate its ability to meet future obligations.

	Sensitivity Analysis on Key Assumptions: We performed sensitivity analyses on management's cash flow forecasts, considering the impact of potential changes in key assumptions, such as various increases in anticipated expenses. *Evaluating Plans for Mitigating Actions:* We assessed the feasibility of any mitigating actions identified by management. At the time of signing the audit report, there are two options for the business to secure its going concern status. Option A: by focussing on core expenditure only, the cash burn rate is maintained or reduced to ensure the future existence of the company for a period of at least 12 months from approval of the financial statements. Option B: the company raises funds via a main market listing IPO (initial public offering) on LSE (London Stock Exchange) to further enhance the development of its product in the marketplace. We corroborated these plans with external evidence where possible and evaluated the likelihood of their successful implementation. *Evaluating Disclosures:* We reviewed the disclosures provided in the financial statements related to the going concern assumption, ensuring they adequately reflected the key judgments and uncertainties identified, in line with IAS 1 requirements. This included assessing whether the disclosures provided a transparent view of the factors affecting the going concern assumption and potential risks faced by the entity. Based on our audit procedures, despite the app being in a pre-revenue status and there being no guarantee of future revenues, we concluded that management's use of the going concern assumption was appropriate, and the disclosures provided in the financial statements were sufficient to inform users about the uncertainties and judgments involved in the going concern assessment.
Key observations communicated to the Audit Committee We have no concerns over the material accuracy of going concern disclosures recognised in the financial statements and this risk to be materially mitigated.	

Valuation of intangible assets: £249,698	
Significance and nature of key risk	**How our audit addressed the key risk**
The valuation of intangible assets, as recognized under IAS 38, and the consideration of impairment of these assets under IAS 36 were significant to our audit due to the inherent complexities and the level of judgment required by management in determining their value. The valuation process involves assumptions related to future cash flows, and other key inputs, particularly for assets with indefinite useful lives. These assumptions are highly sensitive to changes in market conditions and economic factors. Moreover, the need to assess potential impairment indicators requires a thorough understanding of both the external environment and internal performance metrics, as well as the application of IAS 36's requirements for estimating recoverable amounts when impairment indicators are identified.	Our audit procedures included, but were not limited to, the following: *Understanding Management's Assumptions and Models:* We assessed the methodologies and assumptions used by management to value the intangible assets and identify impairment indicators, focusing on consistency with IAS 38 and IAS 36 requirements. *Consideration of Intangible Asset Additions:* We reviewed all purchase invoices which formed the underlying cost of the application, which at the time of the audit report is still under development. In addition, we ensured that the costs incurred were purely for development purposes and not on a research basis.

	Assessing Impairment Testing Compliance: For intangible assets which are not yet fully developed, we reviewed management's impairment testing process and their impairment assessment of the product. We also examined whether management had identified any impairment indicators and assessed if those indicators were appropriately evaluated. The future value of the product is hard to predict at this stage of development and therefore we evaluated the potential of the product by verifying the app's current performance. In addition, we compared the current value of the Company's balance sheet against the market capitalisation of the Company as per AQSE. *Evaluating Disclosures:* We assessed the adequacy of disclosures in the financial statements related to intangible asset valuation and impairment testing, ensuring compliance with IAS 38 and IAS 36. Our findings, based on these procedures, concluded that management's valuation and impairment assessment of intangible assets were reasonable and in line with IAS 38 and IAS 36 requirements, and the disclosures provided were appropriate and comprehensive.
Key observations communicated to the Audit Committee We have no concerns over the material accuracy of intangible assets recognised in the financial statements and this risk to be materially mitigated.	

Valuation of share-based payments: £498,108	
Significance and nature of key risk	**How our audit addressed the key risk**
The accounting for share-based payments under IFRS 2 was a key audit matter due to the significant judgment and complexity involved in valuing these transactions. Management's assessment of the fair value of share-based payment awards involves estimates related to the expected life of the options, volatility of the share price, expected dividends, and risk-free interest rates. These estimates and assumptions significantly impact the recognised expense in the financial statements, making the valuation of share-based payments complex and highly judgmental.	Our audit procedures included, but were not limited to, the following: *Evaluating Valuation Methodology and Assumptions:* We reviewed the valuation models and methodologies used by management to calculate the fair value of share-based payments. This included assessing the appropriateness of the Black-Scholes model and the reasonableness of assumptions such as expected volatility, expected life of the options, and the risk-free interest rate. *Testing Key Assumptions and Inputs:* We tested the key assumptions used in the valuation of share-based payments by comparing them to historical data, industry averages, and, where available, observable market data. For example, we assessed the expected volatility by comparing it to historical volatility data, and we reviewed the expected life of options based on actual exercise patterns. *Involving Valuation Specialists:* Where necessary, we involved internal valuation specialists as auditor experts to review and challenge the assumptions and methodologies used by management, particularly focusing on whether the assumptions were consistent with market norms and the nature of the share-based payment plans.

	Recalculating Share-Based Payment Expense: We performed our own independent calculations for a sample of share-based payment awards to verify the accuracy of the expense recognised in the financial statements and to ensure it was in accordance with IFRS 2 requirements. Based on the procedures performed, we concluded that management's accounting for share-based payments was appropriate and consistent with IFRS 2 requirements, and that the related disclosures were sufficient and transparent in reflecting the judgments and estimates involved.
Key observations communicated to the Audit Committee We have no concerns over the material accuracy of the share-based payments recognised in the financial statements and this risk to be materially mitigated.	

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our consideration of climate change related risks
The financial impacts on the Company of climate change and the transition to a low carbon economy ("climate change") were discussed as part of our audit where they have the potential to directly or indirectly impact key judgements and estimates within the financial statements.

The Company continues to develop its assessment of the potential impacts of climate change. Climate risks have the potential to materially impact the key judgements and estimates within the financial report. Our audit considered those risks that could be material to the key judgement and estimates in the assessment of the carrying value of non-current assets.

The key judgements and estimates included in the financial statements incorporate actions and strategies, to the extent they have been approved and can be reliably estimated in accordance with the Company's accounting policies.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

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

Responsibilities of Directors
As explained more fully in the Directors' responsibilities statement (set out on page 12), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and industry, and through discussion with the Directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of intangible assets. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reviewing and recalculating the value of intangible assets, whilst considering the development potential of the product; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit

evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters which we are required to address
We were reappointed at the annual general meeting by ordinary resolution in the year to audit the financial statements. Our total uninterrupted period of engagement is 2 years, covering the periods ended 30 September 2023 and 30 September 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

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

Kreston Reeves LLP

Anne Dwyer BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London

Date: 30 November 2024 | 3:44:22 PM EST

Kondor AI PLC (Registered number: 13714088)

Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 30th September 2024

	Notes	Year Ended 30.9.24 £	10 month period 1.12.22 to 30.9.23 £
CONTINUING OPERATIONS			
Revenue		-	-
Administrative expenses		(791,174)	(17,000)
Other operating expenses	3	(498,108)	-
OPERATING LOSS		(1,289,282)	(17,000)
Finance income	5	932	-
LOSS BEFORE INCOME TAX	6	(1,288,350)	(17,000)
Income tax	7	-	-
LOSS FOR THE YEAR		(1,288,350)	(17,000)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,288,350)	(17,000)
Earnings per share expressed in pence per share:	8		
Basic		(0.83)p	(1700000.00)p
Diluted		(0.60)p	(1700000.00)p

The notes form part of the financial statements

Kondor AI PLC (Registered number: 13714088)

Statement of Financial Position
30th September 2024

	Notes	30/9/24 £	30/9/23 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	9	249,698	-
CURRENT ASSETS			
Trade and other receivables	10	30,406	-
Cash and cash equivalents	11	610,642	-
		641,048	-
TOTAL ASSETS		890,746	-
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	12	180,050	-
Share premium	13	1,468,650	-
Share based payment	13	498,108	-
Retained earnings	13	(1,305,366)	(17,016)
TOTAL EQUITY		841,442	(17,016)
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	49,304	17,016
TOTAL LIABILITIES		49,304	17,016
TOTAL EQUITY AND LIABILITIES		890,746	-

The financial statements were approved by the Board of Directors and authorised for issue on 29 November 2024 | 5:25:51 PM G .... and were signed on its behalf by:

Benjamin Sampson
....
B L W Sampson - Director

The notes form part of the financial statements

Kondor AI PLC (Registered number: 13714088)

Statement of Changes in Equity
for the Year Ended 30th September 2024

	Called up share capital £	Retained earnings £	Share premium £	Share based payment £	Total equity £
Prior year adjustment	-	(16)	-	-	(16)
As restated at 30 November 2022	-	(16)	-	-	(16)
Changes in equity					
Total comprehensive loss	-	(17,000)	-	-	(17,000)
Balance at 30th September 2023	-	(17,016)	-	-	(17,016)
Changes in equity					
Issue of share capital	180,050	-	1,468,650	-	1,648,700
Total comprehensive loss	-	(1,288,350)	-	-	(1,288,350)
Issue of share options	-	-	-	498,108	498,108
Balance at 30th September 2024	180,050	(1,305,366)	1,468,650	498,108	841,442

The notes form part of the financial statements

Kondor AI PLC (Registered number: 13714088)

Statement of Cash Flows
for the Year Ended 30th September 2024

	Notes	Year Ended 30.9.24 £	10 month period 1.12.22 to 30.9.23 £
Cash flows from operating activities			
Cash generated from operations	1	(789,292)	-
Net cash from operating activities		(789,292)	-
Cash flows from investing activities			
Purchase of intangible fixed assets		(249,698)	-
Interest received		932	-
Net cash from investing activities		(248,766)	-
Cash flows from financing activities			
Share issue		180,050	-
Share premium		1,468,650	-
Net cash from financing activities		1,648,700	-
Increase in cash and cash equivalents		610,642	-
Cash and cash equivalents at beginning of year	2	-	-
Cash and cash equivalents at end of year	2	610,642	-

The notes form part of the financial statements

Notes to the Statement of Cash Flows
for the Year Ended 30th September 2024

1. **RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	Year Ended 30.9.24 £	10 month Period 1.12.22 to 30.9.23 £
Loss before income tax	(1,288,350)	(17,000)
Share based payment	498,108	-
Finance income	(932)	-
	(791,174)	(17,000)
Increase in trade and other receivables	(30,406)	-
Increase in trade and other payables	32,288	17,000
Cash generated from operations	(789,292)	-

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30th September 2024

	30.9.24 £	1.10.23 £
Cash and cash equivalents	610,642	-

1. **STATUTORY INFORMATION**

Kondor AI PLC is a public Company limited by shares, registered in England. The Company's registered number and registered office address can be found on the Company Information page.

The Company is listed on the Access segment of the Aquis Stock Exchange Growth Market.

The principal activity of the Company in the period under review was that of development and sale of advanced vision-based Artificial Intelligence (AI) products.

The Company currently has no principal place of business as all staff work remotely.

2. **ACCOUNTING POLICIES**

Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the United Kingdom ("adopted IFRSs") and those parts of the Companies Act 2006 which apply to companies preparing their financial statements under IFRSs.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of assets and liabilities at fair value.

The preparation of financial statements in conformity with UK adopted international accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in the financial statements, are disclosed below.

Going concern
The Company's business activities, together with the factors likely to affect its future development, performance and position have been assessed by the Board. The financial position of the Company, its cash flows and liquidity position are presented in the Annual Report and Financial statements.

The Company is a technology start-up focusing on the development of a cutting-edge artificial intelligence (AI) application, with significant investments in research and development. The Company is in the early stages of operations and has incurred losses of £1,288,350 (2023 - £17,000) to date, consistent with its growth and development phase. As of the date of this report, the Company's current assets exceed its current liabilities by £841,442 (2023 - £17,016).

As part of the going concern assessment, the Directors have reviewed the Company's detailed financial projections and downside sensitivities for the period through to 30 November 2025. These financial projections take into account the future expected revenue, expenditure and principal risks and uncertainties that the Company faces as detailed in the Strategic Report.

To improve the financial outlook, the Company has identified mergers and acquisitions as a key strategy to enhance its market position, strengthen operational capabilities, and leverage complementary technologies. The Board is actively exploring opportunities to partner with or acquire companies that can offer strategic synergies, access to new technologies, and additional revenue streams. These activities are expected to support the Company's ability to fund its operations, expand its market reach, and ultimately achieve profitability. At the year end and at the date of signing this report, the Company is in negotiations to purchase the share capital of Ora Technology PLC.

After making the appropriate inquiries and taking into account the matters set out above, the Directors are satisfied and have a reasonable expectation that the Company has adequate financial resources, cash of £610,642 (2023 - £nil) at the balance sheet date, to continue in operational existence until 30 November 2025 and thus have adopted the going concern basis of accounting in the preparation of the financial statements.

Accounting periods
The prior period accounting period was shortened from 12 months to 10 months, covering the period 1 December 2022 to 30 September 2023. The prior period and current period are therefore not entirely comparable. The accounting period was shortened as 30 September year end is a better fit with the Company's trading year.

2. **ACCOUNTING POLICIES - continued**

Critical accounting judgements and key sources of estimation uncertainty
The preparation of the financial statements requires the Directors to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The Directors continually evaluate the judgements and estimates in relation to assets, liabilities, revenue and expenses. The Directors base their judgements, estimates and assumptions on historical experience and on other factors, including expectations of future events. Actual results may differ from these estimates.

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

The critical judgments made by management that have a significant effect on the amounts recognised in the financial statements are described below.

Internally generated intangible assets
The Company has determined the amounts of development expenditure be recognised as intangible assets. In making their judgement, the Directors have considered the progress of each project and whether there is sufficient certainty that the product under development will be economically viable and that economic benefits will flow to the Company. This assessment is in accordance with IAS 38 "Intangible Assets," which requires that development costs be capitalised only when certain criteria are met, including the technical feasibility of completing the intangible asset, the intention to complete the asset, the ability to use or sell the asset, and the demonstration of how the asset will generate probable future economic benefits.

The Directors have reviewed each project to ensure compliance with these criteria, including evaluating technical feasibility, market potential, and the availability of adequate resources to complete the development. Additionally, the Directors have considered whether the expenditure can be measured reliably.

In line with the intangible assets accounting policy, amortisation is charged only when the intangible asset is capable of being used in the manner intended by the Company. The Directors consider the intangible assets to be in the development stage, and not yet capable of being used in the manner intended so amortisation is not being charged.

Share based payment transactions
The estimate of share-based payments costs requires the Directors to select an appropriate valuation model, the Black Scholes Model, and make decisions about various inputs into the model including the volatility of its own share price - 74.3%, the probable life of the options - 3 and 5 years, and the risk-free interest rate - 4.22% and 3.49%

2. **ACCOUNTING POLICIES - continued**

Changes in accounting policies
New standards, interpretations and amendments not yet effective:

The following amendments are effective for the period beginning 1 October 2023:

- FRS 17 insurance Contracts:
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes);
- International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively.
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements).

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2023. The Company has prepared these financial statements in line with these amendments which have had no significant impact on the Company.

New standards, interpretations and amendments not yet effective:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures)
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Company is currently assessing the impact of these accounting policies and amendments but does not believe they will have a significant impact on the Company.

Cash and cash equivalents
Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

2. **ACCOUNTING POLICIES - continued**

Intangible assets - software development costs
Intangible assets are initially recognised at cost where it is probable that there will be future economic benefits from the asset and the cost of the asset can be reliably measured. The cost of internally generated intangible assets is only recognised in the development phase of an internal project, with the cost of the research phase and maintaining or running the day-to-day operations recognised as an expense. These capitalised costs comprise all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is charged when the intangible asset is capable of being used in the manner intended by the Company. The Directors consider that the intangible fixed asset is not yet capable of being used in the manner intended by the Company. Therefore, no amortisation is being charged.

When the intangible asset is being amortised, amortisation will be charged on the following basis:

Other intangible fixed assets - 33.33%

As the project progresses, the assets' residual values, useful lives and amortisation methods will be reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Other Comprehensive Income.

2. **ACCOUNTING POLICIES - continued**

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company shall only recognise a financial instrument when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at their fair value.

Financial assets
The Company determines the classification of its financial assets at initial recognition and re- evaluates this designation at every reporting date based on the business model for managing these financial assets and the contractual cash flow characteristics.

Currently the Company only has financial assets at amortised cost which consist of trade and other receivables, and cash and cash equivalents.

Financial assets that are receivable within one year and do not constitute a financing transaction are recorded at the undiscounted amount expected to be received, net of impairment. Those that are receivable after more than one year or that constitute a financing transaction are recorded initially at fair value less transaction costs and subsequently at amortised cost using the effective interest method, less any allowance for expected credit losses.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

A financial asset is derecognised when the Company has transferred substantially all the risks and rewards of the asset or has transferred control of the asset.

Financial liabilities
The Company's financial liabilities comprise trade and other payables. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method, less settlement payments.

The Company's financial liabilities are derecognised when extinguished, discharged, cancelled or expired. Gains or losses from derecognition of financial liabilities are recognised in the statement of profit or loss

Taxation
Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates 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 statement of financial position date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Share capital
Called-up share capital represents the nominal value of shares that have been issued.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

2. **ACCOUNTING POLICIES - continued**

Share based payments
During the year the Company issued equity-settled warrants to Directors, investors and advisors.

The fair value of all share based payments granted are determined using the Black Scholes options pricing model which incorporates assumptions regarding risk free interest rates dividend yield, expected volatility and expected life of the warrant.

The fair value of the options is measured at the date the options are granted recognised in equity in the share-based payment reserve and as an expense in the statement of profit or loss. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period, and adjustments are recognised in profit or loss and the share-based payment reserve. Where warrants lapse, any expenses previously recognised in relation to such shares are reversed effective from the date of the lapse.

3. **OTHER OPERATING EXPENSES**

	Year Ended 30.9.24 £	10 month period 1.12.22 to 30.9.23 £
Share based payments	498,108	-

4. **EMPLOYEES AND DIRECTORS**

The only employees of the Company during the year ended 30 September 2024 were Directors. See Directors' Report for details of Directors remuneration.

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

	Year Ended 30.9.24	10 month period 1.12.22 to 30.9.23
Employees	4	3

5. **NET FINANCE INCOME**

	Year Ended 30.9.24 £	10 month period 1.12.22 to 30.9.23 £
Finance income:		
Deposit account interest	436	-
HMRC interest	496	-
	932	-

6. **LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	Year Ended 30.9.24 £	10 month period 1.12.22 to 30.9.23 £
Auditors' remuneration	20,000	11,000
Foreign exchange differences	483	-

7. **INCOME TAX**

Analysis of tax expense
No liability to UK corporation tax arose for the year ended 30th September 2024 nor for the period ended 30th September 2023.

Factors affecting the tax expense
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 30.9.24 £	Period 1.12.22 to 30.9.23 £
Loss before income tax	(1,288,350)	(17,000)
Loss multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 25%)	(322,088)	(4,250)
Effects of:		
Losses carried forward	259,985	4,250
Share based payments	124,527	-
Capital allowances	(62,424)	-
Tax expense	-	-

Factors that may affect future tax charges
Losses of £1,056,939 (2023 - £17,000) are being carried forward for use against future profits of the Company.

8. **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	30/9/24 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(1,288,350)	154,972,613	(0.83)
Effect of dilutive securities			
Options	-	58,014,636	-
Diluted EPS			
Adjusted earnings	(1,288,350)	212,987,249	(0.60)

	Earnings £	30/9/23 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(17,000)	1	(1700000.00)
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	(17,000)	1	(1700000.00)

9. **INTANGIBLE ASSETS**

	Development costs £
COST	
Additions	249,698
At 30th September 2024	249,698
NET BOOK VALUE	
At 30th September 2024	249,698

The Directors consider that the intangible fixed asset is not yet capable of being used in the manner intended by the Company. Therefore, in line with the accounting policy, no amortisation is being charged.

An impairment review has been undertaken at the year end and the Directors consider that the recoverable amount of the asset exceeds the carrying value of the asset at the balance sheet date.

10. **TRADE AND OTHER RECEIVABLES**

	30/9/24 £	30/9/23 £
Current:		
VAT	9,149	-
Prepayments and accrued income	21,257	-
	30,406	-

11. **CASH AND CASH EQUIVALENTS**

	30/9/24	30/9/23
	£	£
Bank accounts	610,642	-

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30/9/24 £	30/9/23 £
100,000,010	Ordinary	0.001	100,000	-
30,050,000	Ordinary	0.001	30,050	-
50,000,000	Ordinary	0.001	50,000	-
			180,050	-

100,000,000 Ordinary shares of 0.001 each were allotted and fully paid for cash at par during the year.

The following fully paid shares were allotted during the year at a premium as shown below:

30,050,000 Ordinary shares of 0.001 each at 0.009 per share
50,000,000 Ordinary shares of 0.001 each at 0.029 per share

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any right of redemption.

13. **RESERVES**

	Retained earnings £	Share premium £	Share based payment £	Totals £
At 1st October 2023	(17,016)	-	-	(17,016)
Deficit for the year	(1,288,350)	-	-	(1,288,350)
Cash share issue	-	1,468,650	-	1,468,650
Issue of share options	-	-	498,108	498,108
At 30th September 2024	(1,305,366)	1,468,650	498,108	661,392

	Retained earnings £
Prior year adjustment	(16)
As restated at 30 November 2022	(16)
Deficit for the period	(17,000)
At 30th September 2023	(17,016)

The following describes the nature and purpose of each reserve within equity:

Share capital - represents the nominal value of the issue of the Company's equity share capital, comprising ordinary shares.

Share premium - represents the amount subscribed for the Company's equity share capital in excess of nominal value. Any transaction costs associated with the issuing of shares are deducted from share premium.

Retained earnings - represents the cumulative net income and losses of the Company recognised through the statement of comprehensive income.

Share based payment reserve - represents the fair value of cumulative costs of share-based payments.

14. TRADE AND OTHER PAYABLES

	30/9/24	30/9/23
	£	£
Current:		
Trade creditors	27,287	-
Other creditors	17	-
Accrued expenses	22,000	17,000
Directors' current accounts	-	16
	49,304	17,016

15. RELATED PARTY DISCLOSURES

B Sampson, a Director of the Company is also a Director of Sampson Fielding Limited. Sampson Fielding Limited is a supplier of accounting services and invoiced the Company £34,550 (2023 - £6,000) in respect of accountancy services for the period. At the balance sheet date £2,000 (2023 - £6,000) was included in accruals and £6,018 (2023 - £nil) in trade creditors.

During the year £144,000 (2023 - £nil) was invoiced to the Company by Toro Consulting Ltd, a Company controlled by J Bixby, in relation to his Director's fees. £12,000 (2023 - £nil) was owed to J Bixby at the balance sheet date.

During the year £18,000 (2023 - £nil) was invoiced to the Company by J Kenney in relation to her Director's fees. £2,000 (2023 - £nil) was owed to J Kenney at the balance sheet date.

All transactions with related parties are conducted on an arm’s length basis.

16. EVENTS AFTER THE REPORTING PERIOD

On 23 August 2024 the Company entered non-binding heads of terms with Ora Technology PLC (Ora) to acquire the entire issued and to be issued share capital of Ora Technology PLC, in consideration for the issue of new shares in the Company based on 0.9988 Kondor shares for each share in Ora.

In light of this potential acquisition, the Company requested and was granted a suspension of their shares from trading on the Access Segment of the AQUIS Stock Exchange with effect from 23 August 2024. At the balance sheet date and the date of signing the accounts, negotiations were ongoing, and the Company's shares remained suspended from trading.

17. ULTIMATE CONTROLLING PARTY

The Directors consider that there is no controlling party.

18. **SHARE-BASED PAYMENT TRANSACTIONS**

Share warrants

	30/09/2024 Weighted average exercise price (pence)	**30/09/2024 Number**
Outstanding at 1 October 2023	-	-
Granted during the financial period	1.28	70,300,500
Exercised during the period	-	-
Outstanding at 30 September 2024	1.28	70,300,500
Exercisable at 30 September 2024	1.28	70,300,500

The contracted average remaining life of warrants at 30 September 2024 was 3.28 years. No share warrants existed in the prior period.

At 30 September 2024, the Company had the following warrants in issue:

Date of grant	**1 December 2023**	**21 December 2023**
Number outstanding	60,500,000	9,800,500
Contractual life	3 years	5 years
Exercise price	1p	3p

The fair value of warrants is determined using the Black-Scholes valuation model. The charge to the profit and loss for the year ended 30 September 2024 was £498,108 (2023 - £nil).

The assumptions used in the calculation of fair value of the warrants was as follows:

Date of grant	**1 December 2023**	**21 December 2023**
Share price at date of grant	3p	3p
Exercise price	1p	3p
Volatility	74.27%	74.27%
Risk free interest rate	4.22%	3.49%

Any shares that are acquired as a result of exercising warrants granted on 1 December 2023 have a lock in date of either 6 or 12 months from date of grant. Management expects all warrants to be exercised at the end of their contractual life. The volatility was determined by reference to similar comparable companies.