Transformational growth

Annual Report & Accounts 2018

loopup

loopup

Meet better.

We remain focused on helping our customers have a fundamentally better experience on their important, day-to-day remote meetings.

Strategic Report

Governance

Financial Statements

LoopUp has seen a year of transformational growth, driven by a material acquisition and continued strong organic expansion.

Go to page 8 for our CEOs' annual statement

LoopUp's Co-CEOs review our market positioning and competitive strategy for 2018.

Go to page 10 to see our strategic priorities

Learn more about our strategic priorities.

Go to page 12 for an insight into our people and culture

Find out more about our successful 'Pod Academy' training programme.

www.loopup.com

Financial Highlights

A year of transformational growth

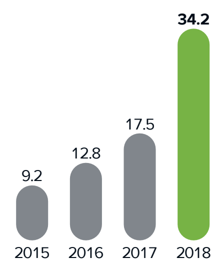
Our 2018 performance has been driven by both the acquisition of MeetingZone and continued strong organic growth

Revenue growth

96%

FY2017: 36%

Revenue[1,2] (£m)

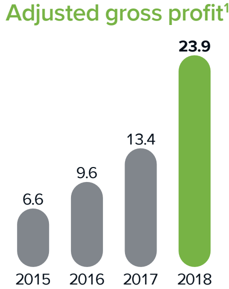


Adjusted gross profit growth

78%

FY2017: 40%

Adjusted gross profit[1,2] (£m)



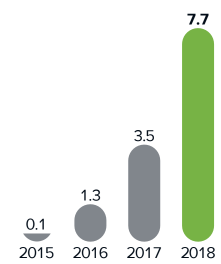
1 Includes 7 months of trading of MeetingZone from June 2018
2 Excludes discontinued BT technology licensing line of business, which ended in November 2016
3 Excludes non-recurring transaction costs and exceptional reorganisation costs relating to the acquisition of MeetingZone and share-based payment charges

Adjusted EBITDA growth

121%

FY2017: 161%

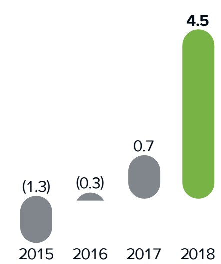
Adjusted EBITDA[1,2,3] (£m)



Adjusted Operating Profit Growth

521%

Adjusted Operating Profit[1,2,3] (£m)



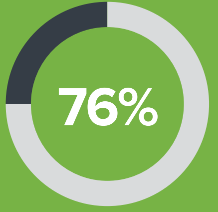
Organic LoopUp Growth KPIs

Product KPIs

LoopUp's streamlined, intuitive design ensures that users are comfortable to adopt and use the software in a live, multi-party setting without the need for any training.

Our users are no longer dialing in with numbers and codes on 76% of their meetings, and 80% are leveraging our apps for Microsoft Outlook®, iOS and/or Android.

Percentage of meetings where LoopUp users no longer dial in



Percentage of LoopUp users utilising LoopUp apps for Outlook®, iOS and/or Android

Source: All new LoopUp users since January 2016.

Commercial KPIs

Net negative churn

1%

FY2017: 2%

LoopUp achieved negative net churn – i.e. net growth – in its established base of customers that are at least one year old. Negative net churn is the combination of our 5.5% gross revenue loss rate with our 'net upsell' rate of approximately 6.5% in retained customers.

New Annual Recurring GM per £1 investment

£0.73

FY2017: £0.75

Each £1 invested in new business acquisition returned approximately £0.93 (FY2017: £0.98) of new annual recurring revenue or £0.73 of new annual recurring gross margin (FY2017: £0.75). Our consistent historic loss rates of 5-6%, while maintained, would imply a 17-20 year lifetime over which this annual gross margin would recur.

Why we exist

> *LoopUp was an obvious choice for us for a number of reasons, most importantly, we're getting a better product for the price. It's simple to use, and the virtual interface is clean and user-friendly.*
>
> **Hilary Grieve, Corporate Administration Manager, Kia Motors America**

Conference calls have become an important facet of everyday business, now accounting for more than 50% of all voice calls at large companies. And yet after 30 years of innovation, nearly 70% of enterprise users are still dialing in with phone numbers and access codes. They're not using any software at all for a better meeting experience.

The time-wasting frustrations of dial-in are all too familiar: "That access code isn't recognized." "Who just joined?" "Who is it with all the background noise?" Not to mention the security connotations.

Research shows that people waste an average of 15 minutes on a typical conference call, whether getting things started or dealing with distractions throughout. That's around a third of the time the business world spends on conference calls or more than 600,000 people years wasted.

So why does dial-in prevail? Certainly, it's not because it provides a better experience. The answer lies in the way people tend to adopt and learn software. For most, this is a process of trial and error, over time. But, as host of a remote meeting, you're live in the 'hot seat' with multiple guests. There simply isn't time for trial-and-error-based learning. The last thing you want is for anything to go wrong, and while dial-in may well be a poor experience, it's the safe bet.

Plenty of feature-rich software products have tried to drag conferencing out of the 'dark ages'. And they've had some success with tech-savvy early adopters and specialist user groups, such as IT and Training teams. But, none has 'crossed the chasm' into the majority of professionals who are intimidated rather than impressed by their bells and whistles. As a result, most users continue to play it safe, trudging on with the poorer experience of dial-in. And IT decision-makers remain frustrated that so-called 'better' options remain unused.

So, are we doomed to a future of painful, insecure dial-in? Certainly not. At LoopUp, we've taken a contrarian approach. Rather than trying to wow early adopters, LoopUp is specifically designed for the mainstream majority. In the risk-averse world of remote meetings, we believe this focus is essential if we're to entice the 70% away from dial-in.

LoopUp doesn't overwhelm users with features and believes 'less is more' when it comes to remote meetings. Our minimalist interface is designed to guide users through an intuitive experience, with no training required. We focus on delivering a reliable, high quality experience on every call, in terms of both audio quality and visual context.

And it's working. Our users are now foregoing dial-in 76% of the time. Instead, when instructed, LoopUp calls out to them on a phone of their choice and then naturally guides them to a helpful visual interface where you can see 'who just joined' and 'who's speaking.' Finally, dial-in can fade into the background, bringing a new level of visibility and security to light.

Acquisition of MeetingZone

On 4 June 2018, the Group completed the acquisition of MeetingZone, a UK-headquartered conferencing service provider, for consideration of £61.4 million on a debt-free and cash-free basis.

The transaction was funded by a £50 million equity placement and a new £17 million term loan from Bank of Ireland. The acquisition brings a material increase in scale to the Group.

MeetingZone is a UK-headquartered conferencing services provider with approximately 6,000 customers worldwide and operations in the UK, Germany, Sweden and North America. MeetingZone sells its own standalone audio conferencing services, resells Cisco's WebEx collaboration services, and also offers a value-added audio services product for Microsoft Skype for Business.

Strategic rationale:

Increased scale to amplify LoopUp's network effect

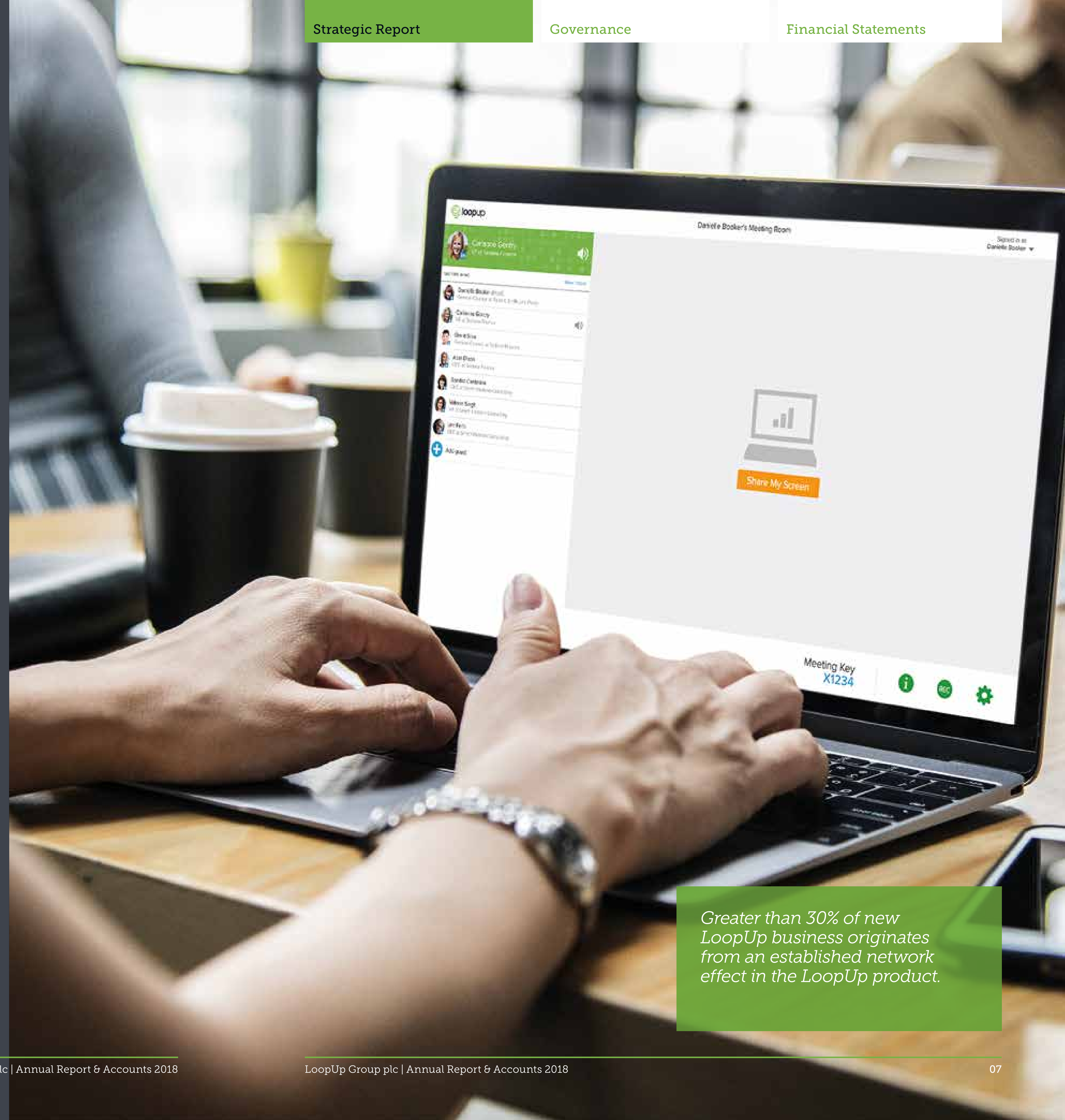
- The acquisition of MeetingZone brings a material increase in scale to the Group by transitioning MeetingZone's core audio conferencing business over to the LoopUp product platform. Such a transition is designed to amplify the established "network effect" in the LoopUp product: approximately 30% of new LoopUp business is driven by non-customer guests on LoopUp meetings, existing customer referrals, previous LoopUp users now at new companies, and non-marketing-driven inbound approaches to the Group.

  We expect a successful completion of this transition project by late summer 2019.

Cost synergies to accelerate investment in organic growth

- Following the acquisition, we conducted a detailed strategic review of the MeetingZone business. This review has resulted in annualised cost synergies in excess of the £2.8 million expected at the time of acquisition, which are being reinvested into organic LoopUp growth.

  LoopUp and MeetingZone are now fully integrated into a unified organisational structure for new business acquisition, customer success and operations.



Greater than 30% of new LoopUp business originates from an established network effect in the LoopUp product.

Chief Executive Officers' Statement and Strategic Performance

Transformative growth year, enabling increased investment in proven sales structure

We are pleased to report on a period of transformational growth for the Group during financial year 2018, with revenue growing by 96% and adjusted operating profit by 521%.

> The success of the Pod Academy programme now provides a proven and more dynamic lever to accelerate the expansion of our established and consistently efficient pods distribution structure.
>
> **Steve Flavell and Michael Hughes**

This strong performance has been driven by both the acquisition of MeetingZone and continued robust organic growth of the LoopUp product, delivered by our efficient new business acquisition pods.

The Group has also strengthened its senior management team during the period with several key hires: Robert Jardine as Chief Marketing Officer; Ben Fried as VP of Group Commercial; Dave Carroll as VP of Network Operations; Paul Tunstall as Senior Director of Account Management; Sarah Cranston as Head of Customer Support; and Angel Junio as Director of HR.

Acquisition of MeetingZone

On 4 June 2018, the Group completed the acquisition of MeetingZone for £61.4 million, funded by a £50 million equity placing and a new £17 million term loan. Following a detailed strategic review of the MeetingZone business during the summer, LoopUp and MeetingZone are now fully integrated into a unified organisational structure for new business acquisition, customer success and operations. This reorganisation has resulted in annualised cost synergies in excess of the £2.8 million announced at the time of acquisition.

The Group's strategic rationale for the acquisition was to transition MeetingZone's audio conferencing business over to the LoopUp platform, and by so doing, amplify the established 'network effect' in the LoopUp product that accounts for approximately 30% of the Group's new business origination. The transition project continues to progress well, and the Group expects a successful transition to be completed by Summer 2019.

Continued strong organic growth metrics

The Group has continued to see strong organic demand for the LoopUp product from its target market of mid-large enterprises and professional services firms. Landmark accounts won during the period included a publicly-quoted UK telecommunications company, a leading pet products retailer, multiple major international law firms including Australia's largest law firm; a US-headquartered medical non-profit organisation operating in 43 countries; and a leading global brokerage company with joint headquarters in London and New York.

As announced on 18 January 2019, the Group closed a material contract renewal with leading global law firm, Clifford Chance. The minimum total contract value of £2.34 million in aggregate over the 3-year term is for the provision of conference calls across Clifford Chance's global operations, spanning 32 major financial centres in the Americas, Asia Pacific, Europe, the Middle East and Africa.

The Group's strong organic growth has continued to be driven by our compelling retention and new business metrics.

The Group maintained its track record of low gross revenue churn at 5.5% (FY2017: 5%; FY2016: 5% and FY2015: 6%) and 'negative net churn' – i.e. net growth of 1% (FY2017: 2%[1]) – in its long-term established customer base, driven by continued strong end user engagement with differentiated capabilities of the LoopUp product. All newly-provisioned users during FY2018 joined 79%[2] of their meetings via the LoopUp join link – and so used the LoopUp software – rather than via traditional dial-in.

Our seven UK and US pods delivered on average approximately £471,000 of new annual recurring revenue (FY2017: £472,000) – or approximately £368,000 of new annual recurring gross margin (FY2017: £362,000) – at an average fully-loaded cost of approximately £508,000 (FY2017: £483,000). This equates to a Year 1 gross margin return of £0.73 for every pound invested (FY2017: £0.75).

As announced on 28 March 2018, the Group entered the Australian market with two Pods, formed by a mix of senior team members exported from the UK and US and junior team members recruited locally. Notwithstanding their need to build pipelines from a standing start, our Australian team has already closed 55 accounts and their performance has ramped from zero in the first half to approximately 50% of UK/US pod levels in the second half. They are now working under fully-ramped quota levels during FY2019.

Additional investment in growth via 'Pod Academy'

The Group met its top line growth expectations despite only running at an average of 7.5 quota-effective pods during the year (7 in the UK/US and 0.5 in Australia), versus our plans of 11. This was partly due to necessary pipeline build in Australia and partly due to the Group's decision not to migrate any MeetingZone sales staff over to LoopUp pods during the period, although some such migration will start to occur in the German and Swedish markets from April 2019. This resulted in constant currency organic LoopUp revenue growth of approximately 20% in the period (FY15-FY17 average: 32%).

The Group's strategy to address this shortfall in the number of pods going into 2019 has been to conduct a major 'career change' recruitment and training programme called 'Pod Academy'. The Group's first 'Pod Academy' programme ran from November 2018 to January 2019 inclusive, involving 20 recruits with experience from outside of sales. Following three months of intensive training, 14 graduated Pod Academy in January 2019 as sales and account executives, the more senior roles within Pods. They have been joined by 30 new Business Development Associates, recruited through the Group's established graduate recruitment programme, resulting in new Pods forming in Chicago, Dallas, Los Angeles, Atlanta and Madrid in February 2019, employing 32 people in aggregate.

The success of the Pod Academy programme now provides a proven and more dynamic lever to accelerate the expansion of our established and consistently-efficient pods distribution structure. As such, we are excited to announce additional investment of £2.0 million into this programme during FY2019 out of our increasingly cash-generative operations to accelerate future growth. Looking forward, therefore, the Group now expects to have the following number of quota-productive Pods on average during the period:

- H1 2019: approximately 10
- H2 2019: approximately 16
- H1 2020: approximately 21
- H2 2020: approximately 27
- H1 2021: approximately 31
- H2 2021: approximately 35

Continued product development and innovation

We continue to invest in developing the LoopUp product. During 2018, we worked on scaling various aspects of the LoopUp platform and network operations in preparation to accommodate the extra scale required by the MeetingZone platform transition project. We also introduced language support into the product, making the LoopUp software available to users in German, French, Spanish, Swedish and both traditional and simplified Chinese. A considerable amount of work has also been done on new product innovation projects that the Group plans to announce during 2019.

Positive Outlook

We continue to see strong demand for the LoopUp product, and our compelling product differentiation combined with our efficient new business unit economics, make for an exciting outlook. Pipelines are healthy and we remain confident in our ability to deliver further strong growth.

Steve Flavell
Co-CEO

Michael Hughes
Co-CEO

1 At FY2018 constant currency
2 2016 cohort: 77%; 2017 cohort: 71%; 2018 cohort: 79%; 2016-18 cohort: 76%

Strategic Priorities

How we're delivering on our strategic goals

Increasing our Pod numbers, expanding our marketing activities and continued product innovation were our top priorities for 2018.

> LoopUp stands out above other remote meeting and UCaaS providers. Its business strategy defies in many ways the 'conventional wisdom' in the industry.
>
> **Raúl Castañón-Martínez, Senior Analyst at 451 Research**

Priority	Explanation	Achievements	Outlook	Our Strategy in action
1 Increase number of Pods	Continue to invest in our proven pods sales model and its consistently-strong return metrics.	Increased the number of ramped pods to nine by the end of 2018. Launched our first 'Pod Academy' programme, bringing 14 career change recruits into more senior sales and account executive pod roles alongside our regular junior recruiting strategy.	Grow to an average of 13 ramped pods in 2019. Invest an additional £2.0 million into faster pods expansion.	LoopUp's first 'Pod Academy' took a group of mid-level 'career change' professionals through an intensive 3-month in-house training programme. Pod Academy was developed to accelerate the growth of LoopUp's innovative 'Pod' sales structure, and allowed the group to open new offices in Chicago, Dallas, Los Angeles and Madrid in early 2019.
2 Expand marketing activity	Build awareness of the LoopUp brand and value proposition, generate inbound leads for sales Pods, and improve the customer experience to drive retention.	Rolled out marketing automation programme to generate more enterprise and mid-market sales leads. Launched major advertising campaign across London Underground network. Recruited Chief Marketing Officer to strengthen senior management team.	Extend marketing activity to all geographic markets where LoopUp has sales Pods. Conduct new marketing campaigns and track results in order to understand the return on investment.	LoopUp's 'Say Goodbye to Painful Conference Calls' advertising campaign on the London underground network featured landmark posters at major interchange stations like Kings Cross, animated digital escalator panels, tube car panels and a complete takeover of the St Pauls exit hall. The campaign drove increased awareness of the LoopUp brand among target audiences.
3 Continue to innovate our product	We compete first and foremost on our differentiated and premium product experience. We aim to solve problems with important day-to-day remote meetings and delight our users.	Scaled various aspects of the product and network operations to create the capacity to migrate MeetingZone business. Introduced language support into the product to make the software available to users in German, French, Spanish, Swedish and both traditional and simplified Chinese.	Introduce major enhancements to core product to maintain differentiation and premium status.	Rolling out the LoopUp product in a range of languages improved the user experience in non-English speaking markets. This is a critical enabler for LoopUp's international expansion plan.
4 Transition MeetingZone audio conferencing business over to the LoopUp platform	The central acquisition rationale was to increase scale on the LoopUp platform to amplify the proven network effect in the LoopUp product.	Good progress during 2018. MeetingZone was fully integrated into the unified Group organisational structure generating significant cost synergies.	Complete the transition process by late Summer 2019.	We are conducting a 2-phased transition project. In phase 1 we are conducting managed transitions, generally of larger MeetingZone customers. In phase 2, we will conduct an automated 'lift-and-shift' of all remaining customers, whereby MeetingZone dial-in numbers and access codes can be maintained on the LoopUp platform.

Our people and culture

At LoopUp, we're empowering our people to be the best they can be by creating the right culture and helping them gain the right skills for now and for the future.

Pod Academy

Pod Academy was an intense, yet fun, introduction to the LoopUp product and company culture.

A group of mid-level professionals with diverse skill sets and experiences travelled to the LoopUp global headquarters in London to participate in the 3-month training program led by Co-CEO, Steve Flavell, and other members of the LoopUp management team. Having frequent and meaningful exposure to senior management was inspiring, motivating and prepared me and my colleagues for the challenge of opening a new office in Dallas. Upon graduating from Pod Academy, I felt empowered to make contributions to the company and bring the LoopUp spirit to Texas.

Dore Madere,
Associate Manager, Sales, LoopUp

As of 31 December 2018, LoopUp employed 263 people globally. Our business performance and our customers' experience of LoopUp depend on our ability to attract, develop and retain talented individuals at all levels: people who are empowered to exercise good judgement and are expected to act with integrity at all times.

Equipping people with the skills they need to succeed

Building our employees' skills through continuous development programmes is an essential component of driving business performance.

In 2018, LoopUp launched a three-month intensive global training programme called 'Pod Academy', which is aimed at more experienced individuals looking to make a career change into commercial sales or account management. In 2018, the programme trained a total of 20 people from Madrid, Los Angeles, Dallas, Chicago, New York and Atlanta, of which 14 were hired into the more senior sales and account management roles in our team-based sales 'pods'.

The academy initially congregated at our London headquarters for two weeks' induction, where they were also trained on the junior role that they were bypassing due to their prior experience. They were then seconded out into the existing pods system to do this junior role in the field, while shadowing customer meetings, self-learning from our online training resource, and practising the self-learning modules with their pod-mates. They then attended a 2-week Boot Camp in Chicago before returning to London for final assessments and graduation from the academy.

The success of this inaugural 'Pod Academy' programme now provides a more dynamic lever to accelerate the expansion of our established and consistently-efficient sales pods. We plan to repeat this programme in 2019.

Strong, effective, responsible and trustworthy leadership is a prerequisite for business success. We review our leadership talent pool every year in order to identify high-performing managers, match their skills to our business needs, and help them achieve their development goals. LoopUp also runs ongoing training throughout the year to develop leadership and management skills for newly appointed managers. In 2018, over 22 people took part in the Leadership Programme, which runs as a two-day course. The programme emphasises the importance of inspiring and leading colleagues, through effective example-setting and communications. In addition, LoopUp provides a vocational training fund and time-off policy, which allows employees to undertake external training in order to obtain qualifications such as AAT or CIMA.

Fresh perspectives and talent

For the last nine years, we've actively recruited recent graduates into all of our major business functions. This drives a young, fun, collaborative and healthy-competitive working environment. We invest heavily in their training – the LoopUp way. Many role models have accelerated into management and Director-level positions.

Employee share plans

We want our employees to be aligned with the company's growth ambitions and to reward them accordingly. As such, we operate a share option incentive scheme where employees of a certain seniority and tenure are granted options in the company. Such options are typically subject to a four-year vesting profile with a one-year cliff and a market strike price as at the time of grant.

Our Pods

LoopUp team-based 'pods' structure is central to the way we conduct our new business acquisition activities. Each pod typically comprises six people: three business development associates, two sales executives, and one account manager.

Critically, they work as a team and are incentivized solely as a team, on the basis of new recurring revenue brought into the business. Pod members are recruited exclusively with no prior sales experience and are trained to shared best practice processes and methods.

This team structure drives a collaborative 'best foot forward' culture. Pods are highly scalable and, along with our product differentiation, underpin our consistent and predictable growth.

Our Values

Acting with Professionalism
- Being accountable and reliable
- Displaying professionalism
- Acting with integrity

Demonstrating a 'One team' attitude
- Treating others with trust and respect
- Being collaborative, helpful and supportive
- Making the job fun

Displaying a passion for results
- Being industrious, determined and ambitious
- Taking ownership and being a self-starter
- Being innovative, curious and agile
- Focusing on business outcomes and taking a lean approach

At the heart of our CSR strategy is our intention to make a difference in three distinct areas: environmental, youth skills and digital talent.

Future Frontiers

We're committed to making a difference to social mobility, and ensuring opportunity is open to all. We're making this happen in our own business and through our work in communities and with other organisations.

If we really want to broaden aspiration and opportunity, we know we have to reach people from a young age. In 2018, we supported 10 young people with skills development, provided additional support to students from disadvantaged backgrounds, and we are focused on doing a lot more. As part of our collaboration with Future Frontiers,
11 LoopUp employees participated in a coaching programme which took place across four weekly sessions at our London headquarters. The programme allows young people from disadvantaged backgrounds to have access to professional role models who give them guidance and career coaching.

Students spend time with their coach, identifying their career ambitions and building a personalised development plan. The programme aims to develop pupils' aspirations and build practical connections to their education. LoopUp contributed a total of 86 hours to the coaching programme.

We are repeating this programme in 2019 on a larger scale, and our Co-CEO, Steve Flavell, has joined the Future Frontiers 'Business Leaders Council'.

Our Environmental Footprint

As a responsible business, we want to play our part in addressing environmental challenges, and our clients, our people and our other stakeholders expect this.

We have been a partner of the Green Earth Appeal, a global not-for-profit social enterprise supported by the United Nations, for the last three years. As part of our commitment to being a sustainable and environmentally responsible company, we have pledged to plant a fruit tree for every LoopUp user that fully completes their online profile.

The fruit trees are planted in some of the world's poorest locations including Uganda, Ghana, India, Tanzania, Ethiopia, Honduras, Senegal, Cameroon, Haiti, Mali, Burundi, Colombia, Kenya, Philippines, and Brazil. These trees serve not only to produce oxygen and absorb CO_2, but also to provide food and revenue for the local communities in which they're planted.

Since the program's launch in 2015, LoopUp has planted over 20,000 new trees. It has been calculated that one tree alone can remove around 0.16 tons of CO_2 from the atmosphere, and six trees will remove one ton of CO_2.

Silicon Valley Internship Programme

We are committed to helping grow the next generation of technology talent. The Silicon Valley Internship Programme (SVIP) was founded by LoopUp's Co-CEO Michael Hughes in 2013. The aim of the programme is to expose some of the most talented young people around the world to the tools, experiences and network they need to flourish and create social and economic impact in their home countries.

Successful applicants are matched with a high growth tech company in Silicon Valley and work as an integral part of their engineering teams across the one-year internship. Participants will be employed as full-time members of the engineering team from the first day and receive a salary and other benefits throughout. The program arranges US work visas, travel and accommodation. In addition, the SVIP hosts monthly 'Meet the Entrepreneur' and 'Hackathon' events, which take the interns through the company formation process from idea to revenue.

Applicants selected for the programme are from amongst the top-ranking Software Engineering and Computer Science graduates across the world. SVIP operates across 35+ countries and brings together a diverse group of engineers from around the world with female engineers making up 50% of the cohort. More than 60 graduates have made a success of the SVIP programme since its founding in 2013.

> LoopUp employees who participated in our 2018 programme went above and beyond to connect with our students from low-income backgrounds, provided them with an insight into the world of work, and got them thinking about their future possibilities - the students left the programme truly inspired!

Alyssa Muzyk
Senior Programme Officer, Future Frontiers,

A year of strength and financial progress

2018 was a transformative year for LoopUp, with the acquisition of MeetingZone significantly increasing the scale and profitability of the business.

"Group revenues increased by 96% year-on-year.

Simon Healey

The acquisition was completed in June 2018 for a total consideration of £61.4m. Since the acquisition, the Group has made significant progress with both integrating MeetingZone into the LoopUp business, and in releasing significant cost synergies principally through reorganisation of the MeetingZone management structure.

Operating results

Group revenues increased by 96% year-on-year to £34.2m, including seven months of revenue from MeetingZone.

The Group has continued to benefit from improvements to its gross margin due to the benefits of scale impacting the cost of bought-in telephony. Overall gross margin on the Group's core conferencing revenue grew from 76.7% in FY2017 to 78.2% in FY2018. Certain other revenue streams acquired as part of the MeetingZone acquisition operate at a lower margin, meaning that overall gross margin was 70% for the year (2017: 76.7%).

Adjusted EBITDA[1] grew from £3.5m in FY2017 to £7.7m in FY2018.

The Group's spend on development costs rose from £3.8m in FY2017 to £4.3m in FY2018. The resulting amortisation charge is lower at £2.6m (FY2017: £2.1m) due to the timing of completion of individual development projects. There were no issues with impairment of development projects during 2018.

1. Earnings before interest, taxation, depreciation and amortisation, adjusted to exclude non-recurring transaction costs, exceptional reorganisation costs and share-based payment charges

The acquisition of MeetingZone has resulted in two one-off charges to the income statement in FY2018. Firstly, the Group incurred £3.8m of legal and professional fees in relation to the acquisition and fundraise – of these costs, £1.0m have been charged to the income statement as non-recurring transaction costs in relation to acquisition expenses. Of the remainder, £2.5m relating to the £50m equity placing have been set against share premium and £0.3m relating to the new debt facility have been charged to finance costs (of which £0.2m are spread over the life of the debt facility). Secondly, £1.2m of exceptional reorganisation costs have been incurred, in relation to the restructuring of MeetingZone.

Of the intangible assets created from the acquisition, £31m has been classified as goodwill, with £33m considered to relate to specific identifiable assets (customer relationships and brands). The latter will be amortised over an estimated 15-year life, resulting in a charge to the income statement of £1.3m in FY2018.

The Group continues to receive a tax benefit from its product development activity, and we expect to submit a claim for approximately £1.0m of tax cash credit for FY2018, in addition to the £0.9m successfully claimed for FY2017.

Assets and cash flows

The Group generated operating cash flows of £5.3m (FY2017: £4.0m) and net cash flow before acquisitions and financing for the year was £0.6m (FY2017: (£0.1m)). These numbers are after non-recurring transaction costs and exceptional reorganisation costs of £2.2m. The Group ended the year with cash of £5.6m and net debt of £10.6m.

To finance the acquisition of MeetingZone, the Group issued 12,500,000 new shares at an issue price of £4.00 per share. The Group also arranged a £17m term loan through Bank of Ireland at an interest rate of LIBOR plus 2.5%, repayable over five years (with a 50% bullet payment). Separately, the Group has access to a £3m revolving credit facility from the same lender, which was undrawn at the end of 2018. The Group has significant headroom against the covenants attached to these facilities.

The Group has over £13m of accumulated tax losses available for relief against future taxable profits. The Directors have decided not to recognise a deferred tax asset on these losses at this time, as the significant investment being made in product development is still generating tax losses in the UK. This policy will be reviewed during 2019.

Simon Healey
CFO
24 May 2019

Revenue*

£34.2m

FY2017: £17.5m

Adjusted EBITDA**

£7.7m

FY2017: £3.5m

* Includes 7 months of trading from MeetingZone from June 2018
** Excluding non-recurring transaction costs and exceptional reorganisation costs relating to the acquisition of MeetingZone, and share-based payment charges

Principal Risks

As with any business, the Group is subject to a number of risks and uncertainties, some of which are outside of our control. The Board confirms that there are ongoing processes for identifying, evaluating and mitigating the significant risks facing the Group. The processes are consistent, so far as appropriate given the size and nature of the business, with the guidance issued by the Financial Reporting Council.

Below, we have identified the principal risks and uncertainties which could have an adverse material impact on the Group. This list is not exhaustive and it should be noted that additional risks, which the Group does not consider material, or of which it is not aware, could have an adverse impact.

Key

- Increased
- Decreased
- Unchanged

Principal risk	Impact	Mitigation
Competition and technological change (Unchanged)	The Group's primary competitors are, in many cases, significantly larger enterprises with greater financial and marketing resources. There can be no guarantee that the Group's current competitors or new entrants to the market will not bring new or superior technologies, products or services at similar or lower prices.	We maintain and promote a differentiated value proposition. While other remote meeting vendors claim to deliver value by adding specialist features and capabilities, or by cutting prices, LoopUp delivers value, and competes successfully, by providing a superior user experience for non-specialist users. The Group's senior management team regularly devotes time to reviewing product releases by potential competitors and gaining insight from industry analysts and customers.
People (Unchanged)	Difficulties encountered in retaining senior staff and recruiting appropriate employees, and the failure to do so, or a change in market conditions that renders current incentivisation structures lacking, may hinder the Group's ability to grow.	The Group believes it has the appropriate incentivisation structures in place to attract and retain the calibre of employees necessary to ensure the efficient management, operation and growth of the business.
Key system failure or disruption (Unchanged)	Any malfunctioning of the Group's technology and systems, or those of key third parties, even for a short period of time, could result in a lack of confidence in the Group's services, with a consequential material adverse effect on operations and results.	The Group regularly reviews the appropriate redundancy and resiliency in its network operations, is ISO 27001 certified across its global operations, and has implemented a sophisticated Service Event Response Team (SERT) with detailed processes and procedures for responding to any size or type of service outage or disruption. Members of the SERT are located around the world, enabling 24x365 coverage.
Product development (Unchanged)	New capabilities and enhancements introduced into the Group's product may contain undetected defects that fail to meet customers' performance expectations or satisfy contract specifications, and this may impact the Group's results and reputation.	All product releases are put through rigorous quality assurance cycles, followed by internal user acceptance testing before release to customers in a considered and organised rollout strategy. Care is also taken to be able to 'roll back' to previous versions of the product whenever practically possible.
Intellectual property (Unchanged)	Challenges to the Group's intellectual property or alleged infringements of others' intellectual property, by either competitors or other third parties, could result in costs, liabilities and operational uncertainties for the Group and there can be no guarantee as to the outcome of any such challenge or associated litigation. The Group also licences software from third parties and the Group's continuing rights to do so cannot be guaranteed.	The Group is aware neither of any challenges to its intellectual property, including its three granted patents, nor of any infringements to others' intellectual property. We maintain an active policy regarding patents and trademarks as appropriate. We maintain robust contracts with any key software licensed from third parties, and are aware of and informed about alternative sources of supply as necessary.
Foreign exchange (Increased)	Given the Group's material US sales and operations, fluctuations in foreign currency exchange rates could have a material effect on the Group's revenue and profitability, and there can be no guarantee that the Group would be able to compensate or hedge against such effects.	Our percentage of revenue denominated in US Dollars is currently broadly aligned with our percentage of costs denominated in US Dollars and we closely monitor both that alignment and foreign exchange movements on an ongoing basis.

This strategic report was approved by the Board of Directors and authorized for issue on 24 May 2019. It was signed on their behalf by:

Steve Flavell
Director
24 May 2019

Non-Executives

Lady Barbara Judge CBE
Independent Non-Executive Chairman

Lady Judge is a trained commercial lawyer with both British and American citizenship.

Early in her career she was a commissioner of the US Securities & Exchange Commission and subsequently Deputy Chairman of the UK Financial Reporting Council. She was also Chairman of the Pension Protection Fund and the UK Atomic Energy Authority. Currently she is Chairman of Cifas, the UK membership organisation specialising in the prevention of fraud and financial crime. She is best known to UK tech investors for chairing the board of IT company Axon Group plc prior to its successful sale.

In June 2010 she was awarded Commander of the British Empire in the Queen's Birthday Honours for her contribution to the financial services and nuclear industries. In April 2015 she received the Times Non-Executive Director award for her chairmanship of the UK Pension Protection Fund.

Keith Taylor
Independent Non-Executive Director

Keith has extensive experience in finance having operated in the industry for nearly 30 years. He has worked for Barclays for over 20 years, most recently as a Managing Director within the Corporate & Investment Bank. He has also served as a Vice Chairman and Board Member of the Loan Market Association.

Additional Board experience includes several years as a Trustee Director of the Barclays UK Retirement Fund (one of the largest UK pension funds). Keith has a first class honours degree from Cambridge University and an MBA with distinction from Cass Business School.

A R N

Mike Reynolds
Independent Non-Executive Director

Mike most recently held the position of EVP at Syniverse Technologies, before which he served as CEO of 2degrees Mobile. Prior to 2degrees Mobile, Mike spent more than seven years in a variety of senior positions, including President at Singapore listed network operator, StarHub. As President, he was responsible for the day-to-day operations of 2,800 employees and US$1.4bn of revenue.

Previously, Mike spent 24 years at BellSouth, which included appointments as President of BellSouth China and CEO of BellSouth International Wireless Services.

A R N

Nico Goulet
Non-Executive Director

Nico is a managing partner at Adara Ventures where he has managed venture capital funds for the last 19 years. Nico has been actively involved with more than 30 early-stage ventures and served on the boards of 25 companies.

Prior to Adara, Nico was a partner at Monitor Company. Nico has a BSc degree in Aerospace Engineering from the École Centrale de Paris, an MSc in Aeronautics & Astronautics from MIT, and an MBA from INSEAD.

A R

Executives

Steve Flavell
Co-CEO

Steve co-founded LoopUp alongside Co-CEO Michael Hughes. Based in London, Steve oversees global commercial and investor relations activities, and is accountable for setting and delivering the Group's financial plan. Prior to LoopUp, Steve was EVP and main board Director at GoIndustry, an online industrial auctioneering platform, where as part of its founding team, Steve was involved in the company's organic growth and several acquisitions.

Previously, Steve spent time at Monitor Company, Mars & Co, and Mobil Oil.

Steve has an MBA from Stanford and an MEng/BA Hons from St. John's College, Cambridge.

N

Michael Hughes MBE
Co-CEO

Michael co-founded LoopUp alongside Co-CEO Steve Flavell. Based in San Francisco, Michael oversees the Group's product development, engineering and network operations worldwide. Prior to LoopUp, Michael was a founding member and CEO of Pagoo, a pioneering VoIP company, overseeing the company's expansion into Europe and Asia.

Prior to Pagoo, Michael was a strategy consultant with Monitor. Michael has an MEng from Imperial College, an MBA from Stanford as an Arjay Miller Scholar, and was awarded a Sainsbury Management Fellowship by the Royal Academy of Engineering.

Michael was made a Member of the Order of the British Empire (MBE) in Her Majesty's 2017 New Year's Honours List for services to graduate development via the Silicon Valley Internship Programme.

Simon Healey
CFO

Based in London, Simon is responsible for LoopUp's global finance function. He joined the business in 2011 as CFO. Prior to LoopUp, Simon held senior finance positions at Streetcar (which was sold to Zipcar, the global car-sharing service, in 2010) and Research Now, the formerly AIM-listed online market research firm, since acquired by E-Rewards. Simon is a Chartered Accountant who trained with KPMG and holds a degree in Accountancy from the University of Birmingham. Simon is a Non-executive Director of Snap Travel Technology Ltd.

Key to Committees

- A Audit
- R Remuneration
- N Nomination

Governance

Chairman's Statement

A new level of growth


Lady Barbara Judge CBE

I am pleased to report that 2018 has been a year of tremendous progress against our strategic ambitions, underpinned by strong financial performance. LoopUp is building real momentum, which we look forward to maintaining in 2019 and beyond.

The Company completed its first major acquisition in June 2018, MeetingZone, a company of comparable size, which the management team has swiftly assimilated into a single, cohesive organisation structure, delivering material cost saving synergies above and beyond those expected at the time of the transaction. During 2019, we expect to complete the transition of MeetingZone's audio conferencing business over to the LoopUp platform with a view to amplifying the established network effect in the LoopUp product.

The Group achieved 20% organic growth (at constant currency) during 2018 with key unit economic metrics remaining strong across all key aspects of the business: user engagement with the LoopUp product; customer retention; and return on investment in new business acquisition. We continue to experience strong demand for our differentiated product, and we have a number of exciting product innovations to bring to market in 2019. I remain confident in our team's ability to deliver future growth.

In March 2019, Barmak Meftah stepped down from his role on the Board as a Non-Executive Director to focus on other commitments. I would like to thank Barmak for his significant contribution to the success of the Company over the last four years and wish him well for the future.

I am delighted to welcome Keith Taylor to the Board. Keith joined as a Non-Executive Director in April 2019 with nearly 30 years' experience in senior roles across the finance industry. He brings extensive financial and strategic planning experience, which will provide significant value to the Company as we continue to drive future growth.

The Directors and executive team have continued to deliver strong financial performance and have now accelerated expansion of the Company through both organic and inorganic means. This performance is testament to the hard work and dedication of every member of the LoopUp team, and I would like to thank everyone on behalf of the Board.

I remain of the opinion that LoopUp creates significant value for its customers by delivering a differentiated, premium product experience, which we continue to innovate and improve. I am both honoured and pleased to continue to serve as Chairman, and to count on the support of such a strong and committed management team and Board of Directors.

I look forward to seeing you, our shareholders, at our AGM on 26 June 2019.

Lady Barbara Judge CBE
Chairman
24 May 2019

Corporate Governance Report

Committed to high standards of corporate governance

A note on corporate governance

The Board recognizes the importance of, and remains committed to, the maintenance of high standards of corporate governance. Through these high standards, it is the Board's aim to deliver growth, maintain a dynamic management framework and build trust – such matters being key ingredients to delivering long-term sustainable performance.

After due consideration, the Board has chosen to report against the Quoted Companies Alliance Corporate Governance Code ("QCA Code"). The following Statement of Compliance sets out in broad terms how we comply at this point in time against the ten principles set out in the QCA Code. The Board shall review and update this Statement of Compliance periodically as the business progresses.

The composition of the Board was considered carefully prior to LoopUp Group plc's admission to AIM in 2016 and again in light of the recent acquisition of MeetingZone and departure of Barmak Meftah from the Board. The Board holds its strategic decision-making meetings in various Group offices, taking the opportunity to meet with members of both the Executive Team and wider senior management team, building their knowledge of the business.

QCA Code Statement of Compliance

Delivering growth

Principle	Application	Compliance
1. Establish a strategy and business model which promote long-term value for shareholders.	The Board must be able to express a shared view of the Group's purpose, business model and strategy. It should go beyond the simple description of products and corporate structures and set out how the Group intends to deliver shareholder value in the medium to long-term. It should demonstrate that the delivery of long-term growth is underpinned by a clear set of values aimed at protecting the Group from unnecessary risk and securing its long-term future.	Notwithstanding the acquisition of the MeetingZone group in June 2018, the pursuit of growth of the LoopUp product line is focused on the following key areas: **Pod investment** – we have continued investment into our team-based 'Pods' organisational structure for new business acquisition. Such growth is intended to continue within existing and new territories. **Product development** – we continue to invest in developing the LoopUp product. This continues to remain at the heart of our corporate strategy as we continue to enhance the customer experience. **Grow existing base** – many customers acquired in recent years have developed into major revenue contributors. This is a reflection of the value our customers place in the product's intuitive and streamlined user experience. The acquisition of the MeetingZone group in June 2018 also marked a major milestone in LoopUp's development. Such acquisition was a transformational step for the Group – enhancing our already strong competitive position, and adding significant scale to the business. Full details of the Group's strategy in relation to the LoopUp product is set out earlier in this Report. The principle risks and uncertainties to the Group (including how they are mitigated) are detailed on pages 18 and 19.
2. Seek to understand and meet shareholder needs and expectations.	Directors must develop a good understanding of the needs and expectations of all elements of the Group's shareholder base. The Board must manage shareholders' expectations and should seek to understand the motivations behind shareholder voting decisions.	The Board aims to respond promptly and fully to all shareholder enquiries and comments. The Board regularly meets with the Group's major shareholders and takes on any feedback from such meetings. All shareholders are invited to participate at the Group's AGMs and encouraged to continue any discussion of the Group's activities following the conclusion of the formal AGM agenda. All queries should be directed to the Company Secretary or the General Counsel.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.	Long-term success relies upon good relations with a range of different stakeholder groups both internal (workforce) and external (suppliers, customers, regulators and others). The Board needs to identify the Group's stakeholders and understand their needs, interests and expectations. Where matters that relate to the Group's impact on society, the communities within which it operates or the environment have the potential to affect the Group's ability to deliver shareholder value over the medium to long-term, then those matters must be integrated into the Group's strategy and business model. Feedback is an essential part of all control mechanisms. Systems need to be in place to solicit, consider and act on feedback from all stakeholder groups.	LoopUp's pod structure in central to the way in which we conduct our new business acquisition activities. As such, we want to build an environment, that drives a collaborative 'best foot forward' culture. The recent acquisition of the MeetingZone group has meant there are more offices and more employees. There is an ongoing initiative to merge the cultures to ensure that our employees are as productive as possible whilst maintaining each individual's wellbeing. The Group endeavours to keep in regular contact with our customers and users. There is an ability to rate every LoopUp call so that we are able to continually review and improve our services to ensure that we are providing a premium service. Additionally, we have dedicated Customer Success and account managers who are on hand to provide clarity and assistance wherever required by our customers. The Board is well advised by its Nomad and maintains regular contact with other key stakeholders, which enables the Group to evaluate and ultimately mitigate risks or act on opportunities when they arise.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.	The Board needs to ensure that the Group's risk management framework identifies and addresses all relevant risks in order to execute and deliver strategy; the Group needs to consider its extended business, including the Group's supply chain, from key suppliers to end-customer. Setting strategy includes determining the extent of exposure to the identified risks that the Group is able to bear and willing to take (risk tolerance and risk appetite).	The Board considers risk and uncertainties at each Board meeting. The Board aims to meet at least quarterly, with at least two meetings held in person (once during the budget setting process and once mid-year). The remaining meetings are held remotely on LoopUp's platform. The Board together with the Executive Leadership Team and senior management are responsible for reviewing and evaluating risks. Additionally, the Information Security Management Team (ISMT) meets every quarter and assesses risks relating to information security. A sub-committee of the ISMT further meets every month to review and update the information security risk register. The principle risks and uncertainties to the Group (including how they are mitigated) are detailed on pages 18 and 19 of this Report.

Maintaining a dynamic management framework

Principle	Application	Compliance
5. Maintain the Board as a well-functioning, balanced team led by the chair.	The Board members have a collective responsibility and legal obligation to promote the interests of the Group, and are collectively responsible for defining corporate governance arrangements. Ultimate responsibility for the quality of, and approach to, corporate governance lies with the chair of the Board. The Board (and any committees) should be provided with high quality information in a timely manner to facilitate proper assessment of the matters requiring a decision or insight. The Board should have an appropriate balance between the executive and Non-Executive Directors and should have at least two independent Non-Executive Directors. Independence is a Board judgment. The Board should be supported by committees (e.g. audit, remuneration, nomination) that have the necessary skills and knowledge to discharge their duties and responsibilities effectively. Directors must commit the time necessary to fulfil their roles.	The Board is responsible for the long-term success of the Group. It sets strategic aims and oversees implementation within a framework of prudent and effective controls, ensuring that only acceptable risks are taken. It provides leadership and direction and is responsible for corporate governance and the overall financial performance of the Group. The Board comprises of three executive and four Non-Executive Directors (including the Chairman). Three of the Non-Executive Directors are considered by the Board to be independent and are free to exercise independence of judgement. Membership of the Audit Committee, Remuneration Committee and the Nomination Committee each comprises of three Non-Executive Directors, of which two are deemed independent. The Board and each of its committees receive regular and timely reports on the Group's operational and financial performance. Board packs are circulated in advance of each Board meeting and minutes reviewed and approved following each meeting. The Board have direct access to the advice and services of the Company Secretary and General Counsel and are able to take independent advice as well, if required. The Board considers that each Director has suitable knowledge and experience to guide the Group in its strategic aims. Details of each of these committees and the Board composition, together with recent attendance records, are set out on pages 30 to 35.

Principle	Application	Compliance
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	The Board must have an appropriate balance of sector, financial and public markets skills and experience, as well as an appropriate balance of personal qualities and capabilities. The Board should understand and challenge its own diversity, including gender balance, as part of its composition. The Board should not be dominated by one person or group of people. Strong personal bonds can be important but also divide a board. As companies evolve, the mix of skills and experience required on the Board will change, and Board composition will need to evolve to reflect this change.	The primary purpose for the Nomination Committee is to lead the process for Board appointments and to make recommendations to the Board to achieve the optimal composition of the Board. The Board has considered diversity in broader terms than gender and believes it is also important to reach the correct balance of skills, experience, independence and knowledge of the Board. All Board appointments will be made on merit and with the aim of achieving a correct balance. The Group has formal policies in place to promote equality of opportunity across the whole organisation, and training is provided to assist with this. The Board operates in a highly collaborative manner, and having two Co-CEOs helps provide balanced executive input.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	The Board should regularly review the effectiveness of its performance as a unit, as well as that of its committees and the individual Directors. The Board performance review may be carried out internally or, ideally, externally facilitated from time to time. The review should identify development or mentoring needs of individual Directors or the wider senior management team. It is healthy for membership of the Board to be periodically refreshed. Succession planning is a vital task for boards. No member of the Board should become indispensable.	The performance of the Board is evaluated on an ongoing basis with reference to all aspects of its operation including, but not limited to: the appropriateness of its skill level; the way its meetings are conducted and administered (including the content of those meetings); the effectiveness of the various committees; whether corporate governance issues are handled satisfactorily; and whether there is a clear strategy and objectives. The Co-CEOs' and CFO's performance is appraised by the Chairman. The Chairman is appraised by the other Non-Executive Directors, and the other Non-Executive Directors are appraised by the Chairman.

Principle	Application	Compliance
8. Promote a corporate culture that is based on ethical values and behaviours.	The Board should embody and promote a corporate culture that is based on sound ethical values and behaviours and use it as an asset and a source of competitive advantage. The policy set by the Board should be visible in the actions and decisions of the chief executives and the rest of the management team. Corporate values should guide the objectives and strategy of the Group. The culture should be visible in every aspect of the business, including recruitment, nominations, training and engagement. The performance and reward system should endorse the desired ethical behaviours across all levels of the Group. The corporate culture should be recognizable throughout the disclosures in the annual report, website and any other statements issued by the Group.	LoopUp's 'pods' structure is central to the way in which we conduct our new business acquisition activities. They work to shared processes and metrics and are incentivised solely as a team on the basis of new recurring revenue brought into the business. Unlike traditional commercial structures, the Pod make-up promotes efficiency between business development, sales and account management activities. The recent acquisition of the MeetingZone group has meant there are more offices and more employees. There is an ongoing initiative to merge the cultures to ensure that our employees are as productive as possible whilst maintaining each individual's wellbeing. Further details about the 'pod' structure and a report on our people and culture by one of our Senior Directors are set out on pages 12 and 13 of this Report.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.	The Group should maintain governance structures and processes in line with its corporate culture and appropriate to its: (i) size and complexity; and (ii) capacity, appetite and tolerance for risk. The governance structures should evolve over time in parallel with its objectives, strategy and business model to reflect the development of the Group.	Details of the governance structures of the Group are set out from page 30 of this Report.

Building trust

Principle	Application	Compliance
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	A healthy dialogue should exist between the Board and all of its stakeholders, including shareholders, to enable all interested parties to come to informed decisions about the Group. In particular, appropriate communication and reporting structures should exist between the Board and all constituent parts of its shareholder base. This will assist: (i) the communication of shareholders' views to the Board; and (ii) the shareholders' undertaking of the unique circumstances and constraints faced by the Group. It should be clear where these communications practices are described (annual report or website).	The Board aims to respond promptly and fully to all shareholder enquiries and comments. The Board regularly meets with the Group's major shareholders and takes on any feedback from such meetings. All shareholders are invited to participate at the Group's AGMs and encouraged to continue any discussion of the Group's activities following the conclusion of the formal AGM agenda. Reports from the Audit, Nomination and Remuneration Committees are set out in this report.

Board composition

The Board comprises three Executive and four Non-Executive Directors (including the Chairman). The Group appointed Lady Barbara Judge as Chairman and Senior Independent Non-Executive Director at the time of the IPO.

Mike Reynolds, Barmak Meftah and Nico Goulet remained in place from the previous Ring2 Communications Board, with the former two Directors being considered independent. Barmak Meftah resigned from the Board on 29 March 2019, and Keith Taylor was appointed as an Independent Non-Executive Director on 15 April 2019.

Simon Healey, who has served as CFO to the Group since 2011, was formally appointed to the Board on IPO in August 2016.

Board meetings and attendance

The Board aims to meet at least quarterly, with at least two meetings held in person (once during the budget-setting process and once mid-year). The remaining meetings are held remotely using LoopUp's platform. Two full in-person Board meetings were held during 2018, and three further meetings were held remotely. The table below shows the number of and attendance at both Board and Committee meetings during the year. In addition to these meetings, a number of procedural meetings of the board (and of nominated committees of the Board) were held during the process of acquiring MeetingZone and the related fundraise and re-admission to AIM.

	Board meetings Possible	Attended
Non-Executive Directors		
Lady Barbara Judge	5	5
Mike Reynolds	5	5
Nico Goulet	5	5
Barmak Meftah	5	3
Executive Directors		
Steve Flavell	5	5
Michael Hughes	5	5
Simon Healey	5	5

Board responsibilities

The Board is responsible for the long-term success of the Group. It sets strategic aims and oversees implementation within a framework of prudent and effective controls, ensuring that only acceptable risks are taken. It provides leadership and direction and is also responsible for corporate governance and the overall financial performance of the Group.

The Board has agreed the schedule of matters reserved for its decision, which includes ensuring that the necessary financial and human resources are in place to meet obligations to shareholders and others. It also approves any acquisitions and disposals, major capital expenditure, annual budgets and dividend policy.

Board papers are circulated before Board meetings in sufficient time to enable their review and consideration in advance of meetings.

Board effectiveness

The performance of the Board is evaluated on an ongoing basis with reference to all aspects of its operation including, but not limited to: the appropriateness of its skill level; the way its meetings are conducted and administered (including the content of those meetings); the effectiveness of the various Committees; whether corporate governance issues are handled satisfactorily; and whether there is a clear strategy and objectives.

The Co-Chief Executives' and Chief Financial Officer's performance is appraised by the Chairman. The Chairman is appraised by the other Non-Executive Directors, and the other Non-Executive Directors are appraised by the Chairman.

Directors' independence

Three of the Non-Executive Directors are considered by the Board to be independent and are free to exercise independence of judgement. They have never been employed by the Group nor do they participate in the Group bonus scheme. They receive no remuneration apart from their fees and, in some cases, limited options which were issued prior to IPO, all of which are fully vested.

Board appointments

On appointment, a new Director is briefed on the activities of the Group. Ongoing training is provided as needed. Directors are updated on a regular basis on the Group's business.

Directors are subject to re-election at the Annual General Meeting following their appointment. In addition, at each Annual General Meeting, one-third (or the nearest whole number) of the Directors retire by rotation.

Access to independent advice and support

In the furtherance of his or her duties or in relation to acts carried out by the Board or the Group, each Director is aware that he or she is entitled to seek independent professional advice at the expense of the Group. The Group maintains appropriate Directors' and Officers' insurance in the event of legal action being taken against any Director. Each Director has access to the advice and services of the Company Secretary, if required, who is responsible for ensuring that Board procedures are properly followed and that applicable rules and regulations are complied with.

Internal controls and risk management

The Board is responsible for the Group's system of internal controls and for reviewing its effectiveness. Such a system is designed to mitigate against and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board confirms that there are ongoing processes for identifying, evaluating and mitigating the significant risks facing the Group. The processes are considered to be appropriate given the size and nature of the business.

The Group's internal financial control and monitoring procedures include:

- Clear responsibility for the maintenance of good financial controls and the production of accurate and timely financial information.
- The control of key financial risks through appropriate authorisation levels and senior management oversight.
- Detailed monthly reporting of trading results and financial position, including variances against budget.
- Reporting of any non-compliance with internal financial controls.
- Review of reports issued by external auditors.

The Audit Committee, on behalf of the Board, reviews reports from the external auditor together with management's response. In this matter, it has reviewed the effectiveness of the system of internal controls for the period.

Shareholder communications

Executive Directors regularly meet with institutional shareholders to foster a mutual understanding of objectives. In particular, an extensive programme of meetings with analysts and institutional shareholders is held following the interim and preliminary results announcements. Feedback from these meetings is presented to the Board. The Chairman and other Non-Executives are available to shareholders to discuss strategy and governance.

All Directors encourage the participation of all shareholders, including private investors, at the Annual General Meeting and as a matter of policy the level of proxy votes lodged on each resolution is declared at the meeting and published by announcement to the London Stock Exchange and on the Group's website.

The Group's Annual Report and Accounts is published on the Group's website and can be accessed by shareholders.

Committee composition
The Audit Committee ('the Committee') was established in August 2016, although a similar committee did operate under Ring2 Communications Limited prior to the establishment of the Group as it currently stands. Mike Reynolds is Chair of the Audit Committee and the other members are Keith Taylor (replacing Barmak Meftah) and Nico Goulet. The Board considers the members to have relevant and recent financial experience, given their biographies as set out on pages 20 and 21.

Committee responsibilities
The Committee is appointed by and responsible to the Board. It has written terms of reference. Its main responsibilities are:

- Monitoring its satisfaction with the truth and fairness of the Group's financial statements before submission to the Board for approval, ensuring their compliance with appropriate accounting standards, the law and AIM rules.
- Monitoring and reviewing the effectiveness of the Group's systems of internal control.
- Making recommendations to the Board in relation to the appointment and remuneration of the external auditor, and reviewing the auditor's objectivity and independence on an ongoing basis.
- Implementing a policy relating to any non-audit services performed by the external auditor.

The Committee is authorised by the Board to seek and obtain information from any officer or employee of the Group and obtain external advice as it deems necessary.

Committee meetings
The Committee aims to meet at least three times per year. These meetings are scheduled to coincide with the review of the interim statement, the scope and planning of the external audit and, finally, the results and observations upon completion of the external audit.

Three meetings were held during the year which the external auditor and CFO attended. A Co-CEO attended two of the three meetings. The Committee also has the opportunity to meet with the external auditor without any Executive Directors present if it wishes to do so.

The Committee carried out a full review of the year end results and of the audit, using as a basis the reports to the Committee prepared by the CFO and the external auditor. Questions were asked of senior management around any significant or unusual transactions where the accounting treatment could be open to different interpretations.

The Committee received from the external auditor a report of matters arising during the audit which the auditor deemed to be of significance.

Significant matters considered by the Committee in relation to the financial statements and areas of judgement routinely considered and challenged were as follows:

- Revenue recognition
- Capitalisation of development costs
- Acquisition of the MeetingZone group

The Committee is satisfied that the judgements made by management are reasonable and that appropriate disclosures in relation to key judgements and estimates have been included in the financial statements. In reaching this conclusion the Committee has considered reports and analysis prepared by management and has also constructively challenged assumptions. The Committee has also considered reports prepared by the external auditor.

Committee performance
The Committee regularly reviews its own performance and has concluded that it is performing as expected.

External auditor
Grant Thornton UK LLP has been the external auditor since 2014.

As required, the external auditor provided the Committee with information for review about policies and processes for maintaining its independence and compliance regarding the rotation of audit partners and staff. The Committee considered all relationships between the external auditor and the Group and was satisfied that they did not compromise the auditor's judgement or independence, particularly around the provision of non-audit services.

Management reviewed the effectiveness of the external audit process and were satisfied with the external auditor's knowledge of the business and that the scope of the audit was appropriate and the audit process effective.

Following these processes, the Committee recommended to the Board that Grant Thornton UK LLP be proposed for re-election at the AGM.

Internal audit function
Given the size and nature of the Group, the Board did not consider it necessary to have an internal audit function during the year, though this need will be reviewed regularly.

Committee composition
The Nomination Committee was established in August 2016. Mike Reynolds is Chair of the Nomination Committee and the other members are Keith Taylor (replacing Barmak Meftah) and Steve Flavell.

Committee responsibilities
The primary purpose of the Committee is to lead the process for Board appointments and to make recommendations to the Board to achieve the optimal composition of the Board, having regard to:
- its size and composition;
- the extent to which required skills, experience or attributes are represented;
- the need to maintain the highest appropriate standard of corporate governance; and
- ensuring that it consists of individuals who are best able to discharge the responsibilities of Directors.

It has written terms of reference.

Committee meetings
The Committee met once during 2018.

The Board has considered diversity in broader terms than gender and believes it is also important to reach the correct balance of skills, experience, independence and knowledge on the Board. All Board appointments will be made on merit and with the aim of achieving a correct balance. The Group has formal policies in place to promote equality of opportunity across the whole organisation, and training is provided to assist this.

	Committee meetings					
	Audit		Remuneration		Nomination	
	Possible	Attended	Possible	Attended	Possible	Attended
Mike Reynolds	3	3	3	3	1	1
Nico Goulet	3	2	3	3		
Barmak Meftah	3	2	3	2	1	–
Steve Flavell	3	2	3	3	1	1
Simon Healey	3	3				

The Remuneration Committee
The Remuneration Committee was established in August 2016.

The Committee's primary purpose is to assist the Board in determining the Company's remuneration policies and, in so doing, agree the framework for Executive Directors' remuneration with the Board. It has written terms of reference.

The Committee met three times during the year, with other Board members in attendance as appropriate.

Remuneration Committee report
As an AIM-listed company, LoopUp Group plc is not required to comply with Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The content of this report is unaudited unless stated otherwise.

Membership of the Remuneration Committee
At the beginning the year, the Remuneration Committee comprised two Non-Executive Directors (Mike Reynolds as Chair and Barmak Meftah) and one Executive Director (Steve Flavell). In July 2018, Steve Flavell was replaced on the Committee by Nico Goulet, to increase the independence of the Committee. In 2019, Barmak Meftah was replaced on the Committee by Keith Taylor.

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to remuneration, terms of service, granting of share options and other equity incentives.

Directors' remuneration policy
The objectives of the remuneration policy are to ensure that the overall remuneration of Executive Directors is aligned with the performance of the Group and preserves an appropriate balance of income and shareholder value.

Non-Executive Directors
Remuneration of Non-Executive Directors is negotiated by the Executive Directors and agreed by the Board. Non-Executive Directors are not permitted to participate in pensions, annual bonuses or employee benefits. They are entitled to participate in share option agreements relating to the Company's shares. Each of the Non-Executive Directors has a letter of appointment stating his or her annual fee and that their appointment is initially for a period of three years, renewable for a further period of three years. Their appointment may be terminated with three months' written notice at any time.

Directors' remuneration
The normal remuneration arrangements for Executive Directors consist of basic salary, annual performance-related bonuses and participation in share options schemes. In addition, they receive private healthcare benefits, and UK Executives participate in a company pension scheme.

Annual bonuses
The 2017 and 2018 annual bonus plans comprised a target bonus of 50% of salary for Steve Flavell and Michael Hughes and 25% of salary for Simon Healey. Executive Directors are rewarded based on the performance of the Group versus predefined targets as well as the achievement of personal objectives.

Based on the 2018 performance targets set during the 2018 budgeting process and during the subsequent acquisition of MeetingZone (during which targets were re-established), the Group exceeded the performance target set for EBITDA, and achieved revenue and gross margin performance very close to target. As a result of this performance, the Remuneration Committee resolved to pay bonuses equivalent to 71.5% of the target amounts above.

Similar bonus principles will be adopted for future years. Performance targets around revenue, gross margin and EBITDA have been set by the Board. Meeting these targets and achieving personal objectives will result in payouts percentages in line with those outlined above. Payouts can exceed these amounts should performance exceed these targets, and are capped.

Total Directors' Remuneration (audited)
The table below sets out the total remuneration payable to the Directors:

Audited	Salary and fees £000	Annual bonus £000	Other bonuses[i] £000	Healthcare and pension £000	2018 total £000	2017 total £000
Executive						
Steve Flavell	218	82	30	12	342	305
Michael Hughes	243	94	32	6	375	355
Simon Healey	133	25	20	6	184	154
Non-Executive						
Lady Barbara Judge	50	–	–	–	50	50
Mike Reynolds	22	–	–	–	22	23
Nico Goulet	–	–	–	–	–	–
Barmak Meftah	22	–	–	–	22	6

(i) Bonuses awarded in relation to the successful fundraise and acquisition of MeetingZone, and included within non-recurring transaction costs in the Statement of Comprehensive Income

Shares held by Directors
The beneficial interests of the Directors in the share capital of the Company at 31 December 2018 and 2017 were as follows:

	31 December 2018		31 December 2017	
	Number of shares	% of issued ordinary share capital	Number of shares	% of issued ordinary share capital
Executive:				
Steve Flavell	2,527,294	4.6%	2,527,294	6.0%
Michael Hughes	2,457,294	4.5%	2,457,294	5.8%
Simon Healey	20,000	0.0%	–	–
Non-Executive:				
Lady Barbara Judge	42,754	0.1%	33,754	0.1%
Mike Reynolds	–	–	–	–
Nico Goulet (as Managing Partner of shareholder, Adara Ventures SICAR)	6,964,548	12.6%	6,964,548	16.6%
Barmak Meftah	43,750	0.1%	43,750	0.1%

Directors' share options

Aggregate emoluments disclosed below do not include any amounts for the value of options to acquire ordinary shares in the Company granted to or held by the Directors. Details of options for Directors who served during the year are as follows:

	Number of options at 31 December 2018	Exercise price
Executive:		
Steve Flavell	120,000	£4.40
Michael Hughes	880,000	£0.75
	120,000	£4.40
Simon Healey	70,000	£0.50
	60,000	£4.40
Non-Executive:		
Lady Barbara Judge	–	–
Mike Reynolds	75,000	£0.128
	75,000	£0.75
Nico Goulet	–	–
Barmak Meftah	–	–

During the year, the following options were exercised by Directors:

- Simon Healey exercised 30,000 options at an exercise price of £0.50, selling 10,000 of these shares.
- Barmak Meftah exercised 31,250 options at an exercise price of £0.128 and 75,000 options at an exercise price of £0.75, selling these shares upon receipt.

The options in the table above with an exercise price of £4.40 were issued during 2018. There were no grants to Directors in 2017.

By order of the Board

Mike Reynolds
Chairman of the Remuneration Committee
24 May 2019

Directors' Report

For the year ended 31 December 2018

The Directors present their report and the audited financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the Group is the provision of a 'software-as-a-service' (SaaS) platform for remote business meetings.

Business review and future developments

A review of the Group's operations and future developments is covered in the Strategic Report section of the Annual Report and Accounts on pages 2 to 19. This report includes sections on strategy and markets and considers key risks and key performance indicators.

Details of the Group's financial results are set out in the consolidated statement of comprehensive income, other statements and related notes on pages 47 to 83.

Corporate status

LoopUp Group plc (the 'Company' or 'Group') is a public limited company domiciled in the United Kingdom and was incorporated in England and Wales with company number 09980752 on 1 February 2016. The company has its registered office at 1st Floor, 78 Kingsland Road, London E2 8DP. The principal places of business of the Group are its offices in London and San Francisco, and it also operates a number of other offices in the United States, as well as Germany, Sweden, Australia, Hong Kong and Barbados.

Directors

The current members of the Group's Board and Committees are set out on pages 20 and 21. In addition, Barmak Meftah was a Director of the Group throughout 2018. He resigned as a Director on 29 March 2019. Keith Taylor was appointed to the Board on 15 April 2019. One-third of the Directors are required to retire at the Annual General Meeting and can offer themselves for re-election.

The Company has agreed to indemnify the Directors against third party claims which may be brought against them and has put in place a Directors' and officers' insurance policy.

Shares, dividends and significant shareholders

The middle market price of the Company's shares on 31 December 2018 was 290.0 pence and the range during the year was 281.5 pence to 498.0 pence with an average price of 400.6 pence.

The Directors do not recommend the payment of a dividend (2017: £nil).

The Company is informed that, at 14 May 2019, individual registered shareholdings of more than 3% of the Company's issued share capital were as follows:

	Number of shares	% of issued ordinary share capital
Adara Ventures SICAR	6,964,548	12.6%
Andrew Scott[1]	6,000,002	10.9%
Canaccord Genuity Group Inc	4,785,884	8.7%
Baillie Gifford & Co	2,889,429	5.2%
Herald Investment Management	2,550,000	4.6%
Steve Flavell	2,527,294	4.6%
Michael Hughes	2,457,294	4.4%
Jupiter Asset Management	2,250,000	4.1%
Standard Life Aberdeen	1,707,258	3.1%
NFU Mutual Investment Managers	1,697,578	3.1%

1. This includes shares registered in the name of his wife, Rhonda Scott and SFT Capital Limited

Directors' Report continued

Going concern
After making enquiries, the Directors have confidence that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Annual Report and Accounts. This is described in more detail in note 1.03.

Research and development
Details of the Group's policy for the recognition of expenditure on research and development of its core platforms are set out in note 3 of the consolidated financial statements.

Risk management objectives and policies
Details of the Group's financial risk management and policies are set out in note 19 of the consolidated financial statements. The key non-financial risks faced by the Group are set out in the Strategic Report on pages 18 and 19.

Related party transactions
Details of the Group's transactions and balances with related parties are set out in note 21 of the consolidated financial statements.

Employee involvement
It is the Group's policy to involve employees in its progress, development and performance. This has been communicated through both formal and informal meetings at all levels throughout the Group. During such meetings, employees are encouraged to provide a free flow of information and ideas.

Applications for employment by disabled persons are fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. The Group is a committed equal opportunities employer and has engaged employees with broad backgrounds and skills.

It is the policy of the Group that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues.

Political and charitable donations
The Group does not make political donations. Charitable donations of £10,000 were made during the year (2017: £1,000).

Supplier payment policy and practice
The Group does not operate a standard code in respect of payments to suppliers. The Group agrees terms of payment with each supplier at the start of business and makes payments in accordance with these terms.

The number of creditor days outstanding at 31 December 2018 was 45 days (2017: 56 days).

Statement as to disclosure of information to the auditor
The Directors who were in office on the date of the approval of these financial statements have confirmed that, so far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all of the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor
Grant Thornton UK LLP have indicated their willingness to continue in office.

By order of the Board

Lady Barbara Judge
Chairman
24 May 2019

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report and Directors' 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 prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, and disclose with reasonable accuracy at any time the financial position of the 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report
to the members of LoopUp Group plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of LoopUp Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied 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 group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Overview of our audit approach

- Overall materiality: £510,000, which represents 1.5% of the preliminary estimate of the group's total revenue.
- Key audit matters identified were revenue recognition, capitalisation of development costs and the acquisition accounting of MeetingZone group.
- We performed a full scope audit of the financial information of 8 key components out of the 17 components within the group. These accounted for 88% of the Group's revenue and 101% of the Group's Adjusted Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) (with the remaining 9 components contributing a 1% EBITDA loss for the financial year).

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. These matters included those that 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.

We did not identify any Key Audit Matters relating to the audit of the financial statements of the parent company.

Key Audit Matter – Group	How the matter was addressed in the audit – Group
Revenue recognition The group has reported revenues of £34.2m (2017: £17.5m) The Group has a high volume of revenue transactions and this is the first year of adoption of IFRS 15 "Revenue from Contracts with Customers". We therefore identified occurrence of revenue as a significant risk, which was one of the most significant assessed risks of material misstatement.	**Our audit work included, but was not restricted to:** - An assessment of the methodology and the internal control environment relating to revenue recognition. This involved assessing the design and implementation of relevant controls in the revenue business cycle relevant to the audit as well as testing the operating effectiveness of these relevant controls. We tested the operating effectiveness of relevant controls through inquiry, observation and inspection. - We compared management's assessment of the IFRS 15 "Revenue from Contracts with Customers" transition against the requirements of the standard. We have obtained a sample of contracts to corroborate the terms and conditions noted in the analysis. - we performed substantive testing on a sample of revenue transactions throughout the year across each of the significant revenue streams to evaluate whether revenue has been recognised in accordance with contract terms. - for a sample of conference revenue, agreeing the seconds billed to the call detail records and the rates back to customer signed contracts. - for a sample of hardware revenue, professional services revenue and licence revenue, we tested whether revenue was recognised in the correct period by checking evidence that verifies when the service was delivered or product was sold; - performing analytical procedures on revenue based on comparisons with prior year and focusing on trends such as seasonality, gross profit percentage, and rates per minute across the group. - considering the appropriateness of the revenue recognition policy adopted and confirming that revenue has been treated in accordance with the adopted policy. The group's accounting policy on revenue recognition is shown in note 2.09 to the financial statements and related disclosures are included in note 6. **Key observations** Our testing did not identify any material misstatements in relation to the occurrence of revenue.

Key Audit Matter – Group	How the matter was addressed in the audit – Group
Capitalisation of development costs The group capitalises development costs within Intangible Assets. The amount capitalised in the year amounted to £4.3m (2017: £3.8m). The capitalisation of development costs under IAS 38 involves judgement and therefore there is a risk that a material error could occur if items have been incorrectly capitalised. We therefore identified capitalisation of development costs as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: - An assessment of the projects under development based on the analysis of papers prepared by management, discussions with management and comparing the changes in the LoopUp software platform in the current year to the prior year. - Confirming that costs were capitalised in accordance with IAS 38 'Intangible Assets', in particular that the development met the technical and commercial feasibility criteria. - Testing on a sample basis, relevant capitalised payroll costs to payroll records. The group's accounting policy on intangible assets is shown in note 2.03 to the financial statements and related disclosures are included in note 14. **Key observations** Our testing did not identify any material misstatements in the capitalisation of development costs during the year.
Acquisition of MeetingZone group LoopUp Group acquired the MeetingZone Group (headed by Warwick Holdco Limited) on 4 June 2018. The acquisition was accounted for as a business combination. As a result of this acquisition, the Group recorded intangible assets and goodwill of £31.2m and £31.0m respectively as stated in Note 14. Management has made key judgements in determining the allocation of the purchase price to the assets and liabilities acquired, and has used an external expert as part of the purchase price allocation exercise. We therefore identified the acquisition of MeetingZone group as a significant risk, including the valuation and allocation of the purchase price to the assets and liabilities acquired, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: - obtaining management's workings in respect of the acquisition and vouched amounts to supporting documentation such as the Sale and Purchase Agreement between Warwick Holdco Limited and LoopUp Group PLC. - auditing the opening balance sheet on acquisition, for example but not limited to, testing a representative sample for cash after date on trade receivables, post year end payments on creditors and recalculated the deferred income. - determining whether separately identifiable intangibles have been identified and recognised separately to goodwill, and considering indicators of potential impairments identified. - evaluating the work of management's experts in respect of purchase price allocation using our internal specialists. The group's accounting policy on accounting on business combinations is shown in note 2.01 to the financial statements and related disclosures are included in note 14. **Key observations** Our testing did not identify any material misstatements in the accounting for the acquisition of MeetingZone group.

Our application of materiality

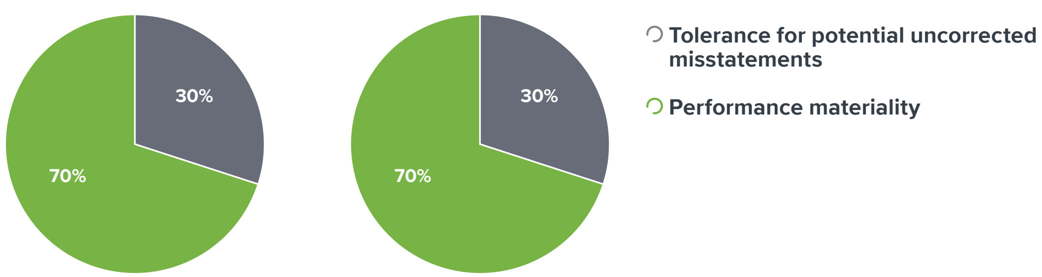
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality measure	Group	Parent
Financial statements as a whole	We determined materiality for the audit of the group financial statements as a whole to be £510,000 which is 1.5% of the preliminary estimate of total revenue. This benchmark is considered the most appropriate because this is used by readers of the group's financials to judge the performance of the group and is a key performance indicator for management. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2017 to reflect the growth of the group compared to the prior year.	We determined materiality for the audit of the group financial statements to be £201,000, based on the total assets of the parent, but limited by component materiality. This benchmark is considered the most appropriate as the company is a holding company with no trade occurring within the parent entity. Materiality for the current year is higher than the level that we determined for the year ended 31 December 2017 based on the increased level of total assets.
Performance materiality used to drive the extent of our testing	70% of financial statement materiality.	70% of financial statement materiality.
Specific materiality	We also determine a lower level of specific materiality for certain areas such as Directors remuneration and related party transactions.	We also determine a lower level of specific materiality for certain areas such as Directors remuneration and related party transactions.
Communication of misstatements to the audit committee	£25,500 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£10,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality – Group   Overall materiality – Parent

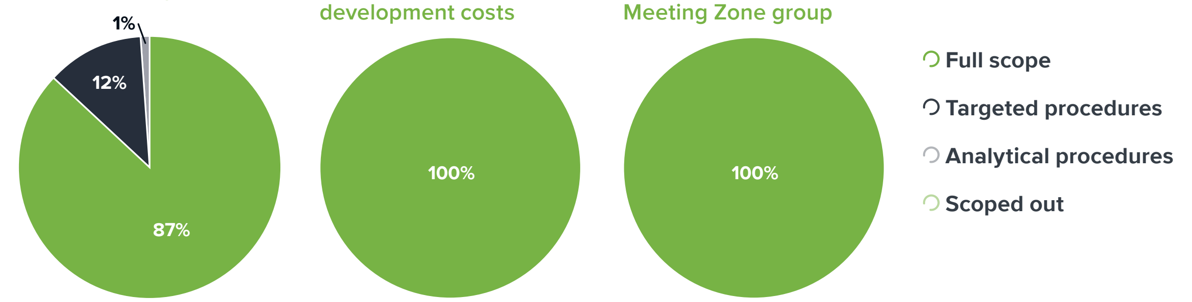


An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- Evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality.
- We performed a full scope audit of the financial information of eight key components and for the remaining nine components, we have performed targeted procedures on 3 components in relation to revenue recognition and analytical procedures on 6 components as appropriate to respond to the risk of material misstatements.
- The eight reporting components where we performed full audit procedures, these accounted for 88% of the Group's revenue and 101% of the Group's EBITDA, with the remaining group components reporting an EBITDA loss for the financial year. This includes all UK components as well as the US component LoopUp LLC.
- We have obtained an understanding of the entity-level controls of the Group which assisted us in identifying and assessing risks of material misstatement due to fraud or error, as well as assisting us in determining the most appropriate audit strategy.
- We evaluated the design, implementation and operating effectiveness of processes and controls over the key financial reporting systems identified as part of our risk assessment and addressed critical accounting matters. We then undertook substantive testing on significant transactions and material account balances.
- All accounting records and the finance team are located at head office and our work was conducted there accordingly.

Revenue recognition   Capitalisation of development costs   Acquisition of Meeting Zone group



Other information

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

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

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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 under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

Independent Auditors' Report continued

Matters on which we are required to report by exception

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

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

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 39, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Jeremy Read
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountant
Milton Keynes

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2018

	Note	2018 £000	2017 £000
Revenue	6	34,213	17,465
Cost of sales		(10,314)	(4,076)
Gross profit		23,899	13,389
Adjusted operating expenses(i)	7	(16,246)	(9,926)
Adjusted EBITDA(ii)		7,653	3,463
Depreciation	7	(546)	(291)
Amortisation of development costs	7	(2,558)	(2,140)
Impairment of development costs	7	–	(300)
Adjusted operating profit(iii)		4,549	732
Non-recurring transaction costs	7	(994)	–
Exceptional reorganisation costs	7	(1,223)	–
Amortisation of acquired intangibles	7	(1,289)	–
Share-based payment charges	20.06	(191)	–
Operating profit		852	732
Finance costs	10	(467)	(3)
Profit before income tax		385	729
Income tax	11	857	1,260
Profit for the year		1,242	1,989
Currency translation gain/(loss)		48	(175)
Total comprehensive income for the year attributable to the equity holders of the parent		1,290	1,814
Earnings per share (pence):	12		
Basic		2.5	4.8
Diluted		2.4	4.4

(i) Total administrative expenses excluding depreciation, amortisation and impairment of development costs and acquired intangibles, non-recurring transaction costs, exceptional reorganisation costs and share-based payments charges.
(ii) Adjusted EBITDA is operating profit stated before depreciation, amortisation and impairment of development costs and acquired intangibles, non-recurring transaction costs, exceptional reorganisation costs and share-based payments charges.
(iii) Before amortisation of other intangible assets, non-recurring transaction costs, exceptional reorganisation costs and share-based payments charges.

Consolidated Statement of Financial Position
As at 31 December 2018

	Note	2018 £000	2017 £000
Assets			
Property, plant and equipment	13	2,168	466
Development costs	14	7,880	6,142
Other intangible assets	14	31,866	–
Goodwill	14	30,950	–
Total non-current assets		72,864	6,608
Trade and other receivables	15	9,326	3,348
Cash and cash equivalents	16	5,581	2,902
Current tax	15	1,153	904
Total current assets		16,060	7,154
Total assets		88,924	13,762
Liabilities			
Trade and other payables	17	(4,487)	(2,118)
Accruals and deferred income	17	(2,709)	(1,189)
Borrowings	18	(1,700)	–
Total current liabilities		(8,896)	(3,307)
Net current assets		7,164	3,847
Non-current liabilities			
Borrowings	18	(14,450)	–
Deferred tax liability	26	(5,709)	–
Total non-current liabilities		(20,159)	–
Total liabilities		(29,055)	(3,307)
Net assets		59,869	10,455
Equity			
Share capital	20	276	210
Share premium	20	60,504	12,637
Other reserve		12,691	12,691
Foreign currency translation reserve		(1,935)	(1,983)
Retained loss		(11,667)	(13,100)
Shareholders' funds attributable to equity owners of parent		59,869	10,455

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2019. They were signed on its behalf by:

Steve Flavell
Director

The notes on pages 54 to 83 form part of these financial statements.

Company number 09980752

Company Statement of Financial Position
As at 31 December 2018

	Note	2018 £000	2017 £000
Assets			
Investments	22	139	139
Total non-current assets		139	139
Trade and other receivables	15	60,641	12,708
Total current assets		60,641	12,708
Total assets		60,780	12,847
Net assets		60,780	12,847
Equity			
Share capital	20	276	210
Share premium	20	60,504	12,637
Retained profit		–	–
Shareholders' funds attributable to equity owners of parent		60,780	12,847

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2019. They were signed on its behalf by:

Steve Flavell
Director

The notes on pages 54 to 83 form part of these financial statements.

The Company recorded no profit or loss in the period since incorporation on 1 February 2016.

Company number 09980752

Consolidated Statement of Changes in Equity
For the year ended 31 December 2018

	Note	Share capital £000	Share premium £000	Other reserve £000	Foreign currency translation reserve £000	Retained loss £000	Shareholders' funds/deficit attributable to equity owners of parent £000
As at 1 January 2017		204	11,708	12,691	(1,808)	(15,089)	7,706
Profit for the year		–	–	–	–	1,989	1,989
Other comprehensive loss		–	–	–	(175)	–	(175)
Total comprehensive profit for the year		–	–	–	(175)	1,989	1,814
Transactions with owners of parent in their capacity as owners:							
Share issues	20	6	929	–	–	–	935
As at 31 December 2017		210	12,637	12,691	(1,983)	(13,100)	10,455
As at 1 January 2018		210	12,637	12,691	(1,983)	(13,100)	10,455
Profit for the year		–	–	–	–	1,242	1,242
Other comprehensive income		–	–	–	48	–	48
Total comprehensive profit for the year		–	–	–	48	1,242	1,290
Transactions with owners of parent in their capacity as owners:							
Equity share-based payment compensation						191	191
Share issues	20	66	47,867	–	–	–	47,933
As at 31 December 2018		276	60,504	12,691	(1,935)	(11,667)	59,869

The notes on pages 54 to 83 form part of these financial statements.

Company Statement of Changes in Equity
For the year ended 31 December 2018

	Note	Share capital £000	Share premium £000	Retained profit £000	Shareholders' funds attributable to equity owners of parent £000
As at 1 January 2017		204	11,708	–	11,912
Result for the year		–	–	–	–
Total comprehensive result for the year		–	–	–	–
Transactions with owners of parent in their capacity as owners:					
Share issue net of transaction costs	20	6	929	–	935
As at 31 December 2017		210	12,637	–	12,847
As at 1 January 2018		210	12,637	–	12,847
Result for the year		–	–	–	–
Total comprehensive result for the year		–	–	–	–
Transactions with owners of parent in their capacity as owners:					
Share issues net of transaction costs	20	66	47,867	–	47,933
As at 31 December 2018		276	60,504	–	60,780

The notes on pages 54 to 83 form part of these financial statements.

Consolidated Statement of Cash Flows
For the year ended 31 December 2018

	Note	2018 £000	2017 £000
Operating activities			
Profit before income tax		385	729
Non-cash adjustments			
Depreciation and amortisation	7	4,393	2,430
Impairment of intangible fixed assets	7	–	300
Share based payments charge		191	–
Interest payable		467	–
Working capital adjustments			
Increase in trade and other receivables		(651)	(547)
Increase/(decrease) in trade and other payables		(359)	183
Tax received		836	858
Net cash from operating activities		5,262	3,953
Cash flows from investing activities			
Purchase of property, plant and equipment	13.01	(354)	(331)
Addition of intangible assets	14.01	(4,296)	(3,760)
Payment for acquisition of subsidiary, net of cash acquired		(61,579)	–
Net cash used in investing activities		(66,229)	(4,091)
Cash flows from financing activities			
Proceeds of borrowings	25	17,000	–
Proceeds from share issue net of issue costs		47,933	935
Repayment of loans	25	(850)	(306)
Interest and finance fees paid		(467)	–
Net cash from financing activities		63,616	629
Net change in cash and cash equivalents		2,649	491
Cash and cash equivalents, beginning of year		2,902	2,547
Exchange differences on cash and cash equivalents		30	(136)
Cash and cash equivalents, end of year	16	5,581	2,902

The notes on pages 54 to 83 form part of these financial statements.

Company Statement of Cash Flows
For the year ended 31 December 2018

	2018 £000	2017 £000
Operating activities		
Profit before income tax	–	–
Working capital adjustments		
Increase in debtors	(48,867)	(935)
Net cash used by operations	(48,867)	(935)
Net cash from financing activities		
Proceeds from share issue net of issue costs	48,867	935
Net cash generated by financing activities	48,867	935
Net change in cash and cash equivalents	–	–
Cash and cash equivalents, beginning of year	–	–
Cash and cash equivalents, end of year	–	–

The notes on pages 54 to 83 form part of these financial statements.

Notes to the Financial Statements
As at 31 December 2018

1. Business description and basis of preparation

1.01 Business description
The principal activity of the Group is the provision of a software-as-a-service (SaaS) solution for remote business meetings.

LoopUp Group plc ('the Group') is a limited liability company incorporated and domiciled in England and Wales, with company number 09980752. Its registered office is 78 Kingsland Road, London E2 8DP.

1.02 Basis of preparation
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Accounting Standards (IASs) as adopted by the EU together with the International Financial Reporting Standards Interpretations Committee interpretations issued by the International Accounting Standards Boards (IASB) that are currently effective or early adopted (collectively IFRS) and in accordance with those parts of the Companies Act 2006 that are relevant to those companies that report in accordance with IFRSs.

The preparation of financial information requires the Directors to exercise judgements in the process of applying accounting policies.

Financial information is presented in Pounds Sterling (£) and, unless otherwise stated, amounts are expressed in thousands (£000), with rounding accordingly.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own statement of comprehensive income. The result for the year dealt with in the financial statements of the Company was £nil (2018: £nil).

The accounting policies used have been consistently applied throughout all periods presented in the financial statements.

1.03 Going concern
As part of their going concern review, the Directors have followed the guidelines published by the Financial Reporting Council entitled 'Guidance on the Going Concern basis of Accounting and Reporting on Solvency and Liquidity Risks', published in April 2016.

At the balance sheet date, the Group had cash of £5.6m and net assets of £59.9m.

At the balance sheet date, the Group had total outstanding borrowing facilities of £16.2m. These facilities were issued with debt covenants which are measured on a quarterly basis. Management have reviewed forecasted cash flows and revenues for at least the next 12 months following the date of these financial statements and there is no indication that there will be any breach of these covenants in this period.

The Directors have prepared a detailed budget and forecasts of the Group's expected performance over a period covering at least the next 12 months from the date of these financial statements. These forecasts model the realisation of the current sales pipeline and also cover a number of scenarios and sensitivities in order for the Board to satisfy itself that the Group has sufficient cash resources to continue to trade successfully during this period.

As a consequence, the Directors have a reasonable expectation that the Group can continue to operate and to meet its commitments and discharge its liabilities in the normal course of business for a period not less than 12 months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing these Group financial statements.

1.04 Chief operating decision-maker
The Board of Directors acting together are considered the chief operating decision-maker.

2. Summary of significant accounting policies
The principal accounting policies adopted are set out below:

2.01 Basis of consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company ('the Subsidiaries') made up to the accounting reference date each year. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. Control is achieved when the Group has power over an entity in which it has invested ('the Investee'); is exposed, or has rights, to variable returns from its involvement with the Investee; and has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an Investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

The consolidated financial statements incorporate the financial statements of the Company and all Group undertakings.

Intragroup transactions, dividends and balances are eliminated, as are unrealised gains and losses on intragroup transactions.

2.02 Currencies

(a) Functional and presentational currency
Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Parent Company operates ('the functional currency') which is UK Sterling (£). The consolidated financial statements are presented in UK Sterling, as described in note 1.02 ('the presentational currency').

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at an average rate for a period if the rates do not fluctuate significantly. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(c) Group companies that have a functional currency other than the presentational currency of the Group
The results and financial position of all Group companies that have a functional currency different from the presentational currency of the Group are translated into the presentational currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the balance sheet date;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were previously recognised in other comprehensive income are reclassified to the income statement as part of the gain or loss on sale.

2. Summary of significant accounting policies continued

2.03 Development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development costs are capitalised when the related projects meet the recognition criteria of an internally generated intangible asset, the key criteria being as follows:

(a) technical feasibility of the completed intangible asset has been established;
(b) it can be demonstrated that the asset will generate probable future economic benefits;
(c) adequate technical, financial and other resources are available to complete the development;
(d) the expenditure attributable to the intangible asset can be reliably measured; and
(e) management has the ability and intention to use or sell the asset.

These projects are designed to bring new capabilities into the LoopUp product. Salaries associated with development time and directly attributable overheads are capitalised within intangible assets.

Development costs recognised as assets are amortised on a straight-line basis over their expected useful life. Development expenditure is only amortised over the period the Group is expected to benefit and is subject to annual impairment testing. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.04 Goodwill

Goodwill arising on business combinations represents the difference between the consideration for a business acquisition and the fair value of the net identifiable assets acquired, less any accumulated impairment losses. The consideration for a business acquisition represents the fair value of the assets given and equity instruments issued in return for the assets acquired. Goodwill is not amortised but is subject to an impairment review performed at least annually.

2.05 Acquired intangible assets

Acquired intangible assets include customer relationships and brands. Intangible assets acquired in material business combinations are capitalised at their fair value as determined by reference to the methodologies, judgements and policies disclosed on page 72. Intangible assets are amortised on a straight line basis over their useful economic life of 15 years. Amortisation charges are charged to the income statement as other administrative expenses. Within note 7, the Group separates out the amortisation of each asset category.

2.06 Investments

Investments in subsidiary and associated undertakings are stated at cost less provision for impairment.

2.07 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged so as to write off the costs of assets over their estimated useful lives, on a straight-line basis starting from the month they are first used, as follows:

- Office equipment – 20-33% straight line
- Computer equipment – 20-33% straight line
- Certain assets in acquired subsidiaries are depreciated on a reducing balance basis, with a resulting difference in depreciation which is considered immaterial.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income.

2. Summary of significant accounting policies continued

2.08 Impairment of non-current assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or charges in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating units) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

2.09 Revenue recognition

Revenue is recognised at the fair value of the consideration received or receivable for the provision of services in the ordinary course of business and is shown net of Value Added Tax.

The Group has implemented IFRS 15 'Revenue from Contracts with Customers' in this financial year. To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

LoopUp Group meetings services revenue arises from the delivery of conferencing services using LoopUp's proprietary products, as well as revenue earned on MeetingZone's audio conferencing platform. The significant majority of revenue arises upon usage by customers of services delivered on a pay as you go model, based on seconds of conference time and the number of participants on the conference. Revenue is recognised in relation to conferencing services as the service is performed, is invoiced to the customer monthly in arrears and is recognised at a point in time.

Third party and other services revenue arises from a combination of re-sold seat licenses for third party products, sold on a 'per host per month' basis, typically on 12 month or more committed terms; minutes and overage charges for usage of these products; and sales of equipment and related support charges. Revenue from licences is recognised evenly over the period of time to which the charges relate. Revenue from usage is recognised at the time the service is performed. Revenue from equipment sales is recognised when delivery is made and the risk in the equipment has passed to the customer, with support costs recognised over the period of time to which the charges relate.

Any difference between the amount of revenue recognised and the amount invoiced to a customer is included in the statement of financial position as accrued or deferred income.

2. Summary of significant accounting policies continued

2.10 Cost of sales
Cost of sales consists of fees payable to third parties and other expenses that are directly related to sales.

2.11 Current and deferred tax
The tax expense or credit represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities.

(a) Current tax
Current tax is based on taxable income for the period and any adjustment to tax from previous periods. Taxable income differs from net income in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods or that are never taxable or deductible. The calculation uses the latest tax rates and laws for the period that have been enacted on substantively enacted by the reporting date.

(b) Deferred tax
Deferred tax is calculated at the latest tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply when settled. It is charged or credited in the statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case it is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income, and is accounted for using the liability method. It is not discounted.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the asset can be utilised. Such assets are reduced to the extent that it is no longer probable that the asset can be utilised.

Deferred tax assets are recognised to the extent it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income.

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

2.12 Leased assets
Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

If lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. Summary of significant accounting policies continued

2.13 Payroll expense and related contributions
Wages, salaries, payroll tax, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered.

2.14 Benefits and pension costs
In 2016 LoopUp Limited established a contributory pension scheme under the UK's auto-enrolment rules. Company contributions (3% in FY2018 and 2% in FY2017) are recognised as an expense in the statement of comprehensive income as they fall due. MeetingZone Limited operate a similar scheme for their employees.

US staff qualify for a non-contributory 401k pension scheme which has been in place since 2013. The Group has no further payment obligations once the contributions have been deducted and paid. The costs of administering this scheme are charged as an expense to the statement of comprehensive income in the period to which they relate.

2.15 Share-based compensation
The Group issues share-based payments to certain employees and Directors. Equity-settled share-based payments are measured at fair value at the date of grant and expensed on a straight-line basis over any vesting period, along with a corresponding increase in equity if they are deemed to be material to the Group.

At each reporting date, the Directors revise their estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of any revision is recognised in the statement of comprehensive income, with a corresponding adjustment to equity reserves.

The fair value of share options is determined using a Black-Scholes model, taking into consideration the best estimate of the expected life of the option and the specific terms of the option grant.

2.16 Alternative performance measures
The Board assesses the performance of the Group using alternative performance measures (namely Adjusted operating expenses, Adjusted EBITDA, Adjusted operating profit and Adjusted basic/diluted earnings per share) as in the Board's view, these reflects the underlying performance of the business and provides a more meaningful comparison of how the business is managed and measured on a day-to-day basis and is used as a basis for incentive compensation arrangements for employees.

Adjusted operating expenses represents total administrative expenses excluding depreciation, amortisation and impairment of development costs and acquired intangibles, non-recurring transaction costs, exceptional reorganisation costs and share-based payments charges.

Adjusted EBITDA is defined as operating profit stated before depreciation, amortisation and impairment of development costs and acquired intangibles, non-recurring transaction costs, exceptional reorganisation costs and share-based payments charges.

Adjusted operating profit is defined as operating profit stated before amortisation of acquired intangibles, non-recurring transaction costs, exceptional reorganisation costs and share-based payments charges.

Adjusted earnings per share numbers are calculated using profit attributable to shareholders, adjusted for non-recurring transaction costs, exceptional reorganisation costs, amortization of acquired intangibles and share-based payment charges.

It is important to note that alternative performance measures are not defined under IFRS and therefore are defined as 'Non-GAAP' measures. The alternative performance measures used by the Group may not be directly comparable to similarly titled measures reported by other companies. They are not intended to be a substitute for, or be superior to, GAAP measures of performance.

2. Summary of significant accounting policies continued

2.17 Dividends
Dividends are recognised as a liability and deducted from equity at the time they are approved. Otherwise dividends are disclosed if they have been proposed before the relevant consolidated financial statements are approved.

2.18 Accounting developments
This report has been prepared based on the accounting policies detailed in the Group's financial statements for the year ended 31 December 2018 and is consistent with the policies applied in the previous financial year, except for the new standards now effective, IFRS 9 and IFRS 15.

IFRS15: Revenue from contracts with customers
IFRS 15 (effective from 1 January 2018) provides a single, principles based five-step model to be applied to all sales contracts based on the transfer of control of goods and services to customers. The major change is the requirement to identify and assess the satisfaction of delivery of each performance obligation in contracts in order to recognise revenue.

Following an assessment of the financial impact of the changes required from the adoption of this new standard, there is no material change to the Consolidated Income Statement of the Group.

The Group has adopted IFRS 15 on 1 January 2018. There have been no material restatements to the prior period as a result of this implementation.

IFRS9: Financial Instruments
On 1 January 2018, IFRS9 'Financial Instruments' also came into effect. The new standard is based on the concept that financial assets should be classified and measured at fair value, with changes in fair value recognized in profit and loss as they arise ("FVPL"), unless restrictive criteria are met for classifying and measuring the asset at either Amortized Cost or Fair Value through Other Comprehensive Income ("FVOCI"). The financial assets which the Group holds are trade receivables, for which changes to the fair value are posted to the income statement. Similarly, any changes to the fair value of the forward contracts in place at the period end are also posted to the income statement. There have been no material restatements to the prior period as a result of this implementation.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been applied early by the Group. Management anticipates that the following pronouncements relevant to the Group's operation will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement, once adopted by the EU:

- IFRS 16 Leases (issued on 13 January 2016 and effective for periods ending on or after 1 January 2019)
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatments (issued in June 2017 and effective for periods ending on or after 1 January 2019)
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement (issued on 7 February 2018 and effective for periods ending on or after 1 January 2019)
- Amendments to IFRS 3 Business Combinations (issued on 22 October 2018 and effective for periods ending on or after 1 January 2020.
- Amendment to References to the Conceptual Framework in IFRS Standards (issued on 29 March 2018 and effective for periods ending on or after 1 January 2020)
- Annual improvements to IFRS 2014-2016 Cycle (issued 8 December 2016) – relating to IFRS 12 Disclosure of interests in other entities.
- Annual improvements to IFRS 2015-2017 Cycle (issued 12 December 2017) – relating to IAS 12 Income Taxes, IAS 23 Borrowing costs, IFRS 3 Business combinations and IFRS 11 Joint Arrangements.

There are other standards and interpretations in issue but these are not considered to be relevant to the Group.

2. Summary of significant accounting policies continued
IFRS 16 will replace IAS 17 for accounting periods commencing on or after 1 January 2019 and from the perspective of the Group as lessee will require (subject to certain practical expedients) most of the Group's lease obligations to be reflected on balance sheet with a corresponding asset reflecting the right to use the underlying leased asset.

Management are currently performing a detailed review of the Group's lease arrangements and are deciding on how IFRS 16 will be implemented and are considering which practical expedients might apply and whether or not the standard will be implemented on a full or partial retrospective basis. The full impact of IFRS 16 is therefore not yet known but is limited to the operating leases with regards to the land and buildings as indicated in note 23 of the financial statements.

The Directors expect that the adoption of the standards listed above, other than IFRS 16, will not have a material impact on the financial information of the Group in future reporting periods.

3. Financial instruments
Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

3.01 Trade and other receivables
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.02 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.03 Financial liabilities
The Group's financial liabilities comprise borrowings, finance leases and trade and other payables.

Borrowings and trade and other payables
Trade and other payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the 'effective interest rate' to the carrying amount of the liability.

3.04 Classification as debt or equity
Debt and equity instruments issued are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all liabilities.

3. Financial instruments continued

3.05 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised as the proceeds received, net of direct issue costs. The components of equity are as follows:

(a) Share capital

The nominal values of equity shares. The rights attributable to the classes of equity in issue are disclosed in note 20.

(b) Share premium

The fair value of consideration received in excess of the nominal value of equity shares, net of expenses of the share issue.

(c) Retained earnings

The retained net profits or losses to date less distributions.

(d) Foreign currency translation reserve

The net foreign exchange gains or losses to date on consolidation of investments in overseas subsidiaries.

(e) Other Reserve

An other reserve has been created to enable the reservation of a consolidated balance sheet which combines the equity structure of the legal parent with the non-stationary reserves of the legal subsidiary.

3.06 Research and development (R&D) tax credits

R&D tax credits for applicable research and development expenditure is accounted for as a credit to income tax expense in the year in which it is earned.

4. Financial risk management

4.01 Financial risk factors

The Group's activities expose it to certain financial risks: market risk, credit risk and liquidity risk, as explained below. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Directors, who identify and evaluate financial risks in close cooperation with key staff.

(a) Market risk is the risk of loss that may arise from changes in market factors, such as competitor pricing, interest rates, foreign exchange rates.
(b) Credit risk is the risk of financial loss to the Group if a client or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents and receivables balances.
(c) Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash. The Directors monitor rolling forecasts of liquidity, cash and cash equivalents based on expected cash flow.

4.02 Capital risk management

The Group is funded by equity and loans. The components of shareholders' equity are:

(a) Share capital.
(b) Retained earnings, reflecting net comprehensive income to date less distributions.

The objective when managing capital is to maintain adequate financial flexibility to preserve the ability to meet financial obligations, both current and long term. The capital structure is managed and adjusted to reflect changes in economic conditions. Expenditures on commitments are funded from existing cash and cash equivalent balances, primarily received from issuances of shareholders' equity.

4. Financial risk management continued

Financing decisions are made based on forecasts of the expected timing and level of capital and operating expenditure required to meet commitments and development plans.

There are no externally imposed capital requirements.

4.03 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate to their fair values because the short-term nature of such assets renders the impact of discounting to be negligible.

5. Critical accounting estimates and judgements

Details of significant accounting judgements and critical accounting estimates include:

Judgements and Estimates

5.01 Functional currency

The functional currency is deemed to be Sterling, as the Directors consider that the primary economic environment.

5.02 Recoverability of deferred tax assets

Deferred tax assets are recognised to the extent that it is considered probable that those assets will be recoverable. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether there will be sufficient taxable income available to offset the assets when they do reverse.

This requires assumptions regarding the future profitability of the Group for the 12 months from the date of signing of the financial statements, and as this is inherently uncertain, no deferred tax asset in relation to tax losses has been recognised in the financial statements. The Group has trading losses of £13,796,000 (2017: £12,768,000) and non-trading losses of £368,000 (2017: £401,000) carried forward.

5.03 Capitalised development costs

Capitalisation of development costs requires the Directors to make judgements in allocating staff time appropriately to relevant projects and in assessing the technical feasibility and economic potential of those projects.

These judgements have resulted in the intangible assets as set out in note 14.

5.04 Valuation of acquired intangibles

Management identified and valued acquired intangible assets on acquisitions that were made during the periods disclosed in the financial statements. Management has applied judgements in identifying and valuing intangible assets separate from goodwill that consist of assessing the value of brands and customer relationships. The Board have a policy of engaging professional advisors on acquisitions with a purchase price greater than £5 million to advise and assist in calculating intangible asset values. The Group consistently applies the following methodologies for each class of identified intangible:

- Customer relationships – Net present value of future cash flows
- Intellectual Property – Cost to recreate the asset
- Brands – Royalty relief method

Assumptions are made on the useful life of an intangible and if shortened, would increase the amortisation charge recognised in the income statement. The identified intangibles are set out in note 13. There are a number of assumptions in estimating the present value of future cash flows including management's expectation of future revenue, renewal rates for subscription customers, costs, timing and quantum of future capital expenditure, long-term growth rates and discount rates.

5. Critical accounting estimates and judgements continued

5.05 Carrying value of goodwill and other intangibles

The carrying value of goodwill and other intangibles is assessed at least annually to ensure that there is no need for impairment. Performing this assessment requires management to estimate future cash flows to be generated by the related cash generating unit, which entails making judgements including the expected rate of growth of sales, margins expected to be achieved, the level of future capital expenditure required to support these outcomes and the appropriate discount rate to apply when valuing future cash flows.

5.06 Intangible asset life

Intangible assets are amortised over their estimated useful lives.

5.07 Share based payments

The Group operates a share-based compensation plan under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options and awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted, excluding the impact of any non-market service and performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period). Non-market vesting conditions are included in assumptions about the number of options and awards that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all the specified existing conditions are to be satisfied. At each reporting date, the entity revises its estimates of the number of options and awards that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity. The significant judgements involved in calculating the share based payments charge are the fair value at the date of grant which is determined by using the Black-Scholes model, the staff retention rate which is determined with reference to historical churn and the estimated vesting periods which are determined with reference to the Group's forecasts. Additional disclosures on the calculation of share based payments are provided in note 20.

6. Revenue and segmental reporting

The Directors have identified the segments by reference to the principal groups of services offered and the geographical organisation of the business as reported to the chief operating decision-maker (CODM). The main segment is LoopUp Group meetings services revenue, which represents revenue generated from providing customers access to the LoopUp conferencing platform as well as the acquired MeetingZone conferencing platform. Third party and other services consist of revenues from the resale and usage of externally designed web conferencing platforms, along with related hardware and consultancy sales.

Segmental revenues are external and there are no material transactions between segments.

The Group's largest customer represented less than 5% of total revenue in both years.

No segmental balance sheet was presented to the CODM.

6. Revenue and segmental reporting continued

The Group's revenue disaggregated by primary geographical markets is as follows:

	LoopUp Group meetings services £000	Third party and other services £000	Total £000
For the year ended 31 December 2018:			
UK	13,455	4,113	17,568
Other EU	3,555	970	4,525
North America	10,562	1,214	11,776
Rest of World	344	–	344
Total	27,916	6,297	34,213
For the year ended 31 December 2017:			
UK	6,957	–	6,957
Other EU	1,267	–	1,267
North America	8,968	–	8,968
Rest of World	273	–	273
Total	17,465	–	17,465

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

	LoopUp Group meetings services £000	Third party and other services £000	Total £000
For the year ended 31 December 2018:			
Services transferred at a point in time	27,916	920	28,836
Services transferred over time	–	5,377	5,377
Total	27,916	6,297	34,213
For the year ended 31 December 2017:			
Services transferred at a point in time	17,465	–	17,465
Services transferred over time	–	–	–
Total	17,465	–	17,465

The Group's gross profit disaggregated by segment is as follows:

	2018 £000	2017 £000
LoopUp Group meetings services	21,845	13,389
Third party and other services	2,054	–
Total	23,899	13,389

6. Revenue and segmental reporting continued

The Group's non-current assets disaggregated by primary geographical markets are as follows:

	2018 £000	2017 £000
Geographical analysis of non-current assets:		
UK	72,566	6,209
Other EU	10	–
North America	259	354
Rest of World	29	45
	72,864	6,608

7. Administrative expenses

The profit/loss from operations is stated after charging amounts as follows:

	2018 £000	2017 £000
Staff costs (note 9)	10,868	6,479
Auditor's remuneration (note 8)	176	99
Operating lease costs – land and buildings	887	548
Other administrative expenses	4,315	2,800
Total adjusted operating expenses	16,246	9,926
Depreciation of owned property, plant and equipment (note 13)	546	291
Amortisation of development costs (note 14)	2,558	2,140
Impairment of development costs (note 14)	–	300
Amortisation of acquired intangibles (note 14)	1,289	–
Non-recurring transaction costs (note 14.03)	994	–
Exceptional reorganisation costs (note 9.02)	1,223	–
Share-based payment charge (note 20)	191	–
Total administrative expenses	23,047	12,657

Non-recurring transaction costs are legal and professional fees incurred in relation to the acquisition of MeetingZone. Exceptional re-organisation costs are legal and professional fees and staff termination costs incurred in relation to the restructuring of the MeetingZone organisation following acquisition. These are not expected to recur.

8. Auditor's remuneration

The Group obtained the following services from the auditors and their associates:

	2018 £000	2017 £000
Fees payable to the Group's auditor for the audit of the consolidated and Parent Company's financial statements	105	50
Audit-related assurance services	9	7
Tax compliance services	31	31
Tax advisory services	18	7
Other non-audit services	13	4
Total auditor's remuneration (included within adjusted operating expenses)	176	99

In addition, non-audit service fees relating to the acquisition of MeetingZone of £121,000 (2017: £nil) are included in non-recurring transaction costs, and £88,000 (2017: £nil) were set against share premium.

9. Staff and remuneration

9.01 Number of staff

	2018 Number	2017 Number
Average number of employees (including Directors):		
Executive Directors	3	3
Non-executive Directors	4	4
Commercial	91	61
Engineering and development	37	26
Other	61	26
	196	120

9.02 Remuneration

	2018 £000	2017 £000
Aggregate remuneration of staff (including Directors):		
Short-term remuneration	12,651	8,526
Social security costs	1,342	779
Benefits in kind	700	616
	14,693	9,921
Capitalisation as development costs (note 14)	(3,825)	(3,442)
Included in adjusted operating expenses	10,868	6,479

9. Staff and remuneration continued

Bonuses to Executive Directors of £82,000 (2017: £nil) are included in non-recurring transaction costs, and are not included in the totals above.

In addition to the staff costs above, £472,000 (2017: £318,000) of outsourced contractor costs were incurred and capitalised as development costs.

Also in addition to these costs, exceptional reorganisation costs of £1,223,000 (2017: £nil) were incurred during the year in relation to the reorganisation of the MeetingZone organisation following the acquisition. These costs included redundancy and other compensation for loss of office.

9.03 Directors' remuneration

Remuneration of the Directors included within the statement of comprehensive income is as follows:

	2018 £000	2017 £000
Short-term remuneration	877	800
Social security	75	69
Benefits in kind	24	15
Non-Executive Director fees	94	79
	1,070	963
Short-term remuneration of highest paid Director	369	349

The remuneration of key management personnel is shown in note 21.01.

10. Finance expense

	2018 £000	2017 £000
Interest on loans	380	–
Loan facility fees	87	–
Interest on shareholder loan	–	3
	467	3

11. Taxation

11.01 Income tax credit

	2018 £000	2017 £000
Current tax		
Current period UK income tax	(1,006)	(900)
Current period foreign income tax	103	5
Adjustment for prior periods	46	(365)
Net income tax credit	(857)	(1,260)

11. Taxation continued

11.02 Factors affecting the tax charge

The income tax charge differs from the theoretical charge arising from applying UK corporate tax rates to the profits for the reasons below:

	2018 £000	2017 £000
UK corporate tax average rate	19%	19.25%
Profit/(loss) before income tax	385	729
Tax at the UK corporate tax rate	73	140
Effects of:		
Expenses not deductible for tax purposes	434	2
Additional reduction for R&D expenditure	(884)	(944)
Set against brought forward losses	(427)	–
Effect of foreign tax rates	(33)	14
Adjustment for prior periods	46	(365)
Other differences	(66)	(107)
Net income tax credit	(857)	(1,260)

11.03 Factors that may affect future tax charges

The effective rate of UK corporate tax at the period end was 19%. A reduction in the UK corporation tax rate to 18% from 1 April 2020 were substantively enacted on 26 October 2015. In the Budget on 16 March 2016, the Chancellor announced a further planned reduction to 17% from 1 April 2020 which has also been substantively enacted at the balance sheet date.

12. Earnings per share

The basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

	2018 000	2017 000
Profit attributable to equity holders (£000)	1,242	1,989
Adjusted profit attributable to equity holders (£000)[i]	4,939	1,989
Weighted average number of ordinary shares in issue (000)	49,563	41,208
Basic adjusted earnings per share (pence)[ii]	10.0	4.8
Basic earnings per share (pence)	2.5	4.8

Notes to the Financial Statements continued
For the year ended 31 December 2018

12. Earnings per share continued

The diluted earnings per share has been calculated by dividing the net profit attributable to equity holders of the Group by the weighted average number of shares in issue during the year, adjusted for potentially dilutive shares that are not anti-dilutive.

	2018 000	2017 000
Weighted average number of ordinary shares in issue	49,563	41,208
Adjustment for share options	3,583	3,699
Weighted average number of potential ordinary shares in issue	53,146	44,907
Diluted adjusted earnings per share (pence)(ii)	9.3	4.4
Diluted earnings per share (pence)	2.4	4.4

(i) Calculated as profit attributable to equity holders adjusted for non-recurring transaction costs, exceptional reorganisation costs, amortisation of acquired intangibles and share based payments charges.
(ii) Basic adjusted and diluted adjusted earnings per share are calculated using the profit above and adjusting for non-recurring transaction costs, exceptional reorganisation costs, amortisation of acquired intangibles and share based payments charges.

13. Property, plant and equipment

13.01 Property, plant and equipment (Group)

	Computer equipment £000	Office equipment £000	Total £000
Cost:			
As at 1 January 2017	1,850	368	2,218
Additions	292	39	331
Net exchange difference	(155)	(9)	(164)
As at 31 December 2017	1,987	398	2,385
Additions	268	86	354
Acquired on acquisition of MeetingZone	5,619	390	6,009
Net exchange difference	107	6	113
As at 31 December 2018	7,981	880	8,861
Accumulated depreciation:			
As at 1 January 2017	1,466	289	1,755
Charge for the year	258	33	291
Net exchange difference	(121)	(6)	(127)
As at 31 December 2017	1,603	316	1,919
Charge for the year	489	57	546
Acquired on acquisition of MeetingZone	3,829	304	4,133
Net exchange difference	91	4	95
As at 31 December 2018	6,012	681	6,693
Carrying amount:			
As at 1 January 2017	384	79	463
As at 31 December 2017	384	82	466
As at 31 December 2018	1,969	199	2,168

13. Property, plant and equipment continued

13.02 Property, plant and equipment (Company)
The Company held no property, plant and equipment during the period.

13.03 Finance leases (Group)
There were no assets held under finance leases at either balance sheet date.

14. Intangible assets

14.01 Intangible assets (Group)

	Customer relationships £000	Brand and trademarks £000	Acquired goodwill £000	Development costs £000	Total £000
Cost:					
As at 1 January 2017	–	–	–	10,194	10,194
Additions	–	–	–	3,760	3,760
As at 31 December 2017	–	–	–	13,954	13,954
Acquisition of subsidiary	31,178	1,977	30,950	–	64,105
Additions	–	–	–	4,296	4,296
As at 31 December 2018	31,178	1,977	30,950	18,250	82,355
Accumulated amortisation and impairment:					
As at 1 January 2017	–	–	–	5,372	5,372
Charge for the year	–	–	–	2,140	2,140
Impairment charge	–	–	–	300	300
As at 31 December 2017	–	–	–	7,812	7,812
Charge for the year	1,212	77	–	2,558	3,847
Impairment charge	–	–	–	–	–
As at 31 December 2018	1,212	77	–	10,370	11,659
Carrying amount:					
As at 1 January 2017	–	–	–	4,822	4,822
As at 31 December 2017	–	–	–	6,142	6,142
As at 31 December 2018	29,966	1,900	30,950	7,880	70,696

14.02 Development Costs
Amortisation and any impairment charges are included in operating expenses in the statement of comprehensive income. Intangible assets not yet ready for use are tested for impairment at least annually. Amortisation of each asset begins from the date the asset becomes available for use.

14. Intangible assets continued

14.03 Goodwill, Customer Relationships and Brands and Trademarks

Additions in the year relate to the acquisition of MeetingZone in June 2018 as detailed in note 14.04. The acquisition consisted of a single identifiable cash generating unit. The Group used specialist external advisors to value the separately identifiable assets acquired using an income approach to identify the present value of the future economic value of these assets and the resulting goodwill. Detailed three year cash flow forecasts were produced at the time of the acquisition to support these valuations. The acquired customer relationships and brand assets are considered to have a useful economic life of at least 15 years, and are being amortised over that period, with a remaining amortisation period of 14.5 years at the balance sheet date.

The Group has reviewed the valuation of these assets following the end of the financial year, updating these cash flow forecasts in conjunction with the Group's operating forecasts for a three year period. These forecasts support the valuation of these assets with no impairment required.

14.04 Acquisitions and financing

On 4 June 2018, the Group acquired the entire issued share capital of Warwick Holdco Limited, the holding company of the MeetingZone group. The acquisition from GMT Communication Partners was on a debt-free and cash-free basis for a total consideration of £61.4 million paid in cash. To fund the acquisition, the group issued 12,500,000 new Ordinary Shares at a placing price of £4.00 each and secured a new £17.0 million term loan from the Bank of Ireland.

The amounts recognised for each class of assets and liabilities at the acquisition date were as follows:

	Fair Value £000
Intangible assets consisting of:	
– Customer relationships	31,178
– Brand and trademarks	1,977
Net assets acquired consisting of :	
– Property, plant and equipment	1,875
– Trade and other receivables	5,325
– Trade and other payables	(4,091)
– Deferred tax liability	(5,636)
Net identifiable assets acquired	30,628
Add: goodwill on acquisition	30,950
Net assets acquired	**61,578**

In addition, £3,004,000 of cash was acquired.

The goodwill is attributable to the workforce acquired and the value projected to be generated through future new business and the expected benefits from integrating MeetingZone into the LoopUp group.

The customer relationship and brand and trademark assets are being amortised over 15 years, resulting in a charge to the income statement of £1,289,000 (2017: £nil) in the year.

The Group incurred legal and professional fees of £3.8m in relation to the acquisition. £2.5m of these costs were set against share premium, £1.0m were included in administrative expenses and £0.1m related to finance costs. In addition, £0.2m of arrangement fees for the term loan are being expensed over the five year life of the facility.

14. Intangible assets continued

In the year ended 31 December 2017 the trade of Warwick Holdco Limited and its subsidiaries generated revenues of £22.5m and Adjusted EBITDA of £5.0m. The business generated revenues of £13.8m and EBITDA (before exceptional reorganisation costs) of £3.5m in the period from acquisition to 31 December 2018 – these amounts are included in the consolidated results of the Group.

Total revenue associated with MeetingZone for the year to 31 December 2018 was £23.7m, with EBITDA (before exceptional costs) of £5.5m.

If the acquisition had occurred on 1 January 2018, the Group revenue for the year to 31 December 2018 would have been £44.2m, and Adjusted EBITDA (as defined in the consolidated statement of comprehensive income) would have been £9.7m.

14.05 Impairment testing

The Group tests goodwill for impairment on an annual basis by considering the recoverable amount of the single cash generating unit.

There are no intangible assets with indefinite useful lives (other than goodwill).

For the purpose of impairment testing, the recoverable amount of the cash-generating unit has been calculated with reference to value in use. The key assumptions for the period over which management approved forecasts are based and, beyond this, for the value in use calculations overall, are those regarding discount rates, growth rates and achievement of future revenues. In arriving at the values assigned to each key assumption management make reference to past experience and external sources of information regarding the future.. The assumptions have been reviewed in light of the current economic environment. The key features of these calculations are shown below:

	2018
Period over which management approved forecasts are based	3 years
Growth rate applied beyond approved forecast period	0%
Pre- tax discount rate	9%

In preparing value in use calculations, cash flow periods of between 10 and 20 years have been used in order to match the period of goodwill with the average period of time service users are expected to remain in their relevant home. The discount rates used in each value in use calculation have been based upon divisional specific risk taking account of factors such as the nature of service user need, cost profiles and the barriers to entry into each market segment as well as other macro-economic factors.

The Directors believe that, even in the current economic environment and taking into account the nature of the Group's operations, any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the cash-generating units' carrying amount to exceed the recoverable amount.

The Group's investment in Warwick Holdco Limited and other subsidiaries is held in LoopUp Limited.

14.06 Intangible assets (Company)

The Company held no intangible assets during the period.

15. Trade and other receivables

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Trade receivables	6,362	2,785	–	–
Accrued revenue	1,350	–	–	–
Amounts owed by subsidiary undertakings	–	–	60,641	12,708
Other receivables	45	31	–	–
Deposits and prepayments	1,569	532	–	–
	9,326	3,348	60,641	12,708
Current corporate tax	1,153	904	–	–

The Directors believe that the carrying value of receivables represents their fair value. In determining the recoverability of a receivable, the Directors consider any change in its credit quality from the date credit was granted up to the reporting date.

The largest single receivable at any time would typically constitute no more than 3% of total receivables and would relate to a blue-chip customer. As such, the concentrated credit risk is considered minimal.

Details of the credit risk management policies are shown in note 19.05. No collateral is held as security for trade or other receivables. The amounts at 31 December, analysed by the length of time past due, are:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Receivables past due but not impaired:				
30-60 days	1,653	987	–	–
60-90 days	538	245	–	–
More than 90 days	251	187	–	–
	2,442	1,419	–	–

16. Cash and cash equivalents

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Cash and cash equivalents	5,581	2,902	–	–
	5,581	2,902	–	–

The cash and cash equivalents do not currently earn interest. The Directors consider that the carrying value of cash and cash equivalents approximates to their fair value.

17. Trade and other payables

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Current:				
Trade payables	2,851	1,206	–	–
Other tax and social security	1,559	814	–	–
Other payables	77	98	–	–
	4,487	2,118	–	–
Accruals	1,783	1,130	–	–
Deferred income	926	59	–	–
	2,709	1,189	–	–
Borrowings – due within one year (note 18)	1,700	–	–	–
	1,700	–	–	–
Total current liabilities	8,896	3,307	–	–

18. Borrowings

Borrowings held at amortised cost

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Current:				
Bank loan	1,700	–	–	–
Total borrowings	1,700	–	–	–

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Non-current:				
Bank loan	14,450	–	–	–
Total borrowings	14,450	–	–	–
Total of current and non-current borrowings	16,150	–	–	–

The Group's bank loan is a £17m facility arranged with the Bank of Ireland in June 2018 in connection with the acquisition of MeetingZone. The facility is a 5 year term loan – 50% amortising, 50% bullet repayment at maturity, at a floating interest rate of 2.5% over LIBOR, with a zero LIBOR floor. Repayments of £0.85m are made every six months. The maturity date for the facility is June 2023. The Group also has access to a £3m revolving credit facility which has not been drawn at any stage.

The facility includes security over the assets of LoopUp Limited and certain other subsidiary companies. The Group is required to ensure that it complies with covenants governing net debt/Adjusted EBITDA and Adjusted Ebitda/gross interest for the period of the loan.

18. Borrowings continued

Maturity analysis showing the contractual undiscounted cash flows

The Group's non-derivative financial liabilities have contractual maturities as summarised below:

	Within six months £000	Six to 12 months £000	One to five years £000	Non-current later than five years £000
31 December 2018:				
Trade payables	2,851	–	–	–
Bank loan	850	850	14,450	–
	3,701	850	14,450	–
31 December 2017:				
Trade payables	1,206	–	–	–
	1,206	–	–	–

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

19. Financial instruments

There is an exposure to the risks that arise from the financial instruments. The policies for managing those risks and the methods to measure them are described in note 4.

19.01 Capital risk management

Funding to date has been by equity (note 20) and loans (note 18).

19.02 Financial assets

The following financial assets were held, all classified as loans, cash or receivables:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Cash and cash equivalents	5,581	2,902	–	–
Trade receivables	6,362	2,785	–	–
Amounts owed by subsidiary undertakings	–	–	60,641	12,708
Other receivables	45	31	–	–
Deposits	279	183	–	–
	12,267	5,901	60,641	12,708

19. Financial instruments continued

19.03 Financial liabilities

The following financial liabilities were held, all classified as other financial liabilities:

	Group 2018 £000	Group 2017 £000	Company 2018 £000	Company 2017 £000
Trade payables	2,851	1,206	–	–
Loans	16,150	–	–	–
Other payables	77	98	–	–
	19,078	1,304	–	–

19.04 Market risk

There is an exposure to the financial risk of changes in exchange rates impacting overseas revenues and costs. The Directors do not consider it appropriate to engage in hedging activities at this point in time, as the Group's US Dollar revenues and costs are naturally hedged, to a large degree.

19.05 Credit risk

Careful consideration is given to the choice of bank in order to minimise credit risk. Cash is held at different banks in each local jurisdiction. The amounts of cash held with those banks at the reporting date can be seen in the financial assets table above. All of the cash and equivalents were denominated in UK Sterling. Cash is held in local currency in each jurisdiction. Amount held in non-sterling accounts are minimised where possible.

There was no significant concentration of credit risk at the reporting date other than as described at note 15.

The carrying amount of financial assets, net of any allowances for losses, represents the maximum exposure to credit risk without taking account of the value of any collateral obtained.

A provision of £210,000 (2017: £103,000) has been made for impairment losses in relation to trade receivables. In the Directors' opinion, there has been no other impairment of financial assets. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Directors consider the above measures to be sufficient to control the credit risk exposure. No collateral is held as security in relation to its financial assets.

Amounts owed by subsidiaries are unsecured, have no fixed date of repayment and are repayable on demand.

19.06 Liquidity risk management

The Directors manage liquidity risk by regularly reviewing cash requirements by reference to short-term cash flow forecasts and medium-term working capital projections.

19.07 Maturity of financial assets and liabilities

The maturity of non-derivative financial liabilities and assets at the reporting date are shown in note 18.

19. Financial instruments continued

19.08 Fair value

The fair values of all the financial assets and liabilities on the balance sheet are considered to be equal to their carrying values.

Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value. The fair value of long-term borrowings is the same as the carrying value of long-term borrowings as at 31 December 2018. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2018, there were no financial instruments which met any of the above classifications.

Where market values are not available, fair values of financial assets and liabilities have been calculated by discounting expected future cash flows at prevailing interest rates with the following assumptions being applied:

- for trade and other receivables and payables with a remaining life of less than one year the carrying amount is deemed to reflect the fair value;
- for cash and cash equivalents the amounts reported on the balance sheet approximate to fair value.

20. Share capital and share premium

20.01 Number of shares in issue

	2018 Number	2017 Number
Ordinary shares of 0.5p each	55,132,043	42,069,727
	55,132,043	42,069,727

20.02 Share capital at par, fully paid

	2018 £000	2017 £000
Carried forward:		
Ordinary shares of 0.5p each	276	210
	276	210
Movement in year:		
Shares issued:		
– Ordinary shares of 0.5p each	66	6
	66	6

The classes of ordinary shares ranked pari-passu in respect of voting and dividends.

20. Share capital and share premium continued

20.03 Changes in shares issued

	2018 Number	2017 Number
Ordinary shares issued at £0.0128	31,250	–
Ordinary shares issued at £0.5000	33,000	116,000
Ordinary shares issued at £0.7500	498,066	1,169,551
Ordinary shares issued at £4.0000	12,500,000	–
	13,062,316	1,285,551

In relation to the acquisition of MeetingZone in June 2018, 12,500,000 new shares were issued at a consideration of £4.00 per share. Other share issues in the year and prior year related to the exercise of share options.

20.04 Share premium account

	2018 £000	2017 £000
Brought forward	12,637	11,708
Arising during the year on issue of shares	50,329	929
Costs of share issue	(2,462)	–
Carried forward	60,504	12,637

20.05 Share options

The Group operates a shared-based payment scheme for employee renumeration, which is settled in equity. Options are granted to the majority of employees on a periodic basis. Options under the scheme will vest if certain conditions, as defined in the scheme, are met. Upon vesting, each option allows the holder to purchase one ordinary share at a price determined upon the issue of the option.

Outstanding share options were as follows:

	2018 Number	2017 Number
Outstanding at 1 January	3,009,406	4,388,115
Granted at £4.425	2,305,000	–
Lapsed	(19,112)	(93,158)
Exercised (note 20.03)	(562,316)	(1,285,551)
Outstanding at 31 December	4,732,978	3,009,406

	£	£
Weighted average exercise price of outstanding options carried forward	2.50	0.68

The charge arising from the issue of share options is set out in note 20.06. In August 2018 the Group issued options over 2,305,000 ordinary shares to 112 employees at a strike price of £4.425, equal to the market price at the date of grant. The options vest over a four year period with a one year cliff.

20. Share capital and share premium continued

20.06 Share-based payments

The fair values of the options granted have been calculated using a Black-Scholes model. Assumptions used were an option life of five years, a risk-free rate of 1.007%, a volatility of 25% and zero dividend yield. Other inputs were as follows:

	2018 Number	2017 Number
Number granted in period	2,305,000	–

	£	£
Share price at grant date	4.35	–
Exercise price	4.425	–

Using these assumptions, the fair value of an issued option has been calculated as £1.02. This results in a total charge for options issued in 2018 of £2,361,000, which will be spread over the vesting periods of these options (four years). The resulting charge in 2018 is £191,000 (2017: £nil).

21. Related party transactions

21.01 Remuneration of key personnel

Key management of the Group are the members of the executive leadership team. Key management personnel remuneration includes the following expenses:

	2018 £000	2017 £000
Short-term remuneration	1,845	1,368
Social security	167	123
Benefits in kind	72	33
Total remuneration	2,084	1,524

21.02 Transactions and balances with key management personnel

	2018 £000	2017 £000
Amounts owed by/(to) key personnel:		
Steve Flavell	(35)	(96)
Michael Hughes	(30)	(20)
Mike Reynolds	(2)	(4)
Barmak Meftah	–	(5)
Simon Healey	(7)	(15)
	(74)	(140)

This amount represents unpaid expense claims or fee invoices.

21.03 Transactions with related companies and businesses

The Group has purchased services in the normal course of business from certain companies related to individuals who are or were Directors of the Group:

21. Related party transactions continued

The purchases from these parties and the balances owed at year end are as set out below:

	2018 £000	2017 £000
Purchases from (sales to) related parties:		
Silicon Valley Internship Program LLC	–	–
Silicon Valley Internship Program LLC	(45)	(38)
	(45)	(38)
Amounts owed to (by) related parties:		
Silicon Valley Internship Program LLC	–	23
	–	23
Interest charged during the year on shareholder loan	–	3

The Group has a related party relationship with its subsidiaries. At the balance Sheet date, the Company had receivables due from LoopUp Limited of £56,141,000 (2017: £8,208,000) and Pimco 2711 Limited of £4,500,000 (2017: £4,500,000). Other balances exist between subsidiaries of the Group which are eliminated on consolidation.

22. Subsidiary undertakings

The Company owns 100% of the issued shares of the following telephony and conferencing services subsidiaries which make up the carrying value of £139,000 (2017: £139,000). Investments in MeetingZone and other subsidiaries are held in LoopUp Limited.

	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by Group at year end 2018	2017
Owned directly by LoopUp Group plc:				
LoopUp Limited	UK	Telephony and conferencing services	100%	100%
Owned indirectly by LoopUp Group plc:				
LoopUp LLC	USA	Telephony and conferencing services	100%	100%
LoopUp (Barbados) Limited	Barbados	Telephony and conferencing services	100%	100%
LoopUp (HK) Limited	Hong Kong	Telephony and conferencing services	100%	100%
LoopUp Australia Pty Ltd	Australia	Telephony and conferencing services	100%	100%
Pimco 2711 Limited	UK	Dormant company	100%	100%
Warwick Holdco Limited	UK	Holding company	100%	–
Warwick Debtco Limited	UK	Holding company	100%	–
Warwick Bidco Limited	UK	Holding company	100%	–
MeetingZone Limited	UK	Telephony and conferencing services	100%	–
MeetingZone GmbH	Germany	Telephony and conferencing services	100%	–
MeetingZone Inc	USA	Telephony and conferencing services	100%	–
MeetingZone Canada Limited	Canada	Telephony and conferencing services	100%	–
Comfy MeetingZone AB	Sweden	Telephony and conferencing services	100%	–
Comfy MeetingZone AS	Norway	Telephony and conferencing services	100%	–
MeetingZone Hong Kong	Hong Kong	Telephony and conferencing services	100%	–

All subsidiary undertakings have been included in the consolidation.

23. Operating lease arrangements
Outstanding commitments for future minimum lease payments under non-cancellable operating leases were:

	2018 £000	2017 £000
Land and buildings:		
Within one year	807	555
In the first to fifth years inclusive	1,523	1,474
After the fifth year	–	159
	2,330	2,188

The Group's main UK office was leased on a five-year term expiring in November 2016, at an annual rental of £98,000. This was renewed for a further five-year term (with a three year break option) from December 2016 at an annual rental of £200,000.

The San Francisco office was leased at an annual rental equivalent to £256,000, payable monthly, for 2018 (increasing annually). The lease expires in June 2023.

MeetingZone's main offices in Cardiff, UK are leased at an annual rental of £84,000. This lease expires in 2019 and it is expected that this will be replaced by other premises in 2019.

The group leases several other smaller properties as well as housing some offices in temporary facilities.

24. Dividends
The Directors do not recommend the payment of a dividend (2017: £nil).

24. Subsequent events
On 29 March 2019, Barmak Meftah resigned from the Board and Committees. He was replaced on 15 April 2019 by Keith Taylor. In early 2019 the Group opened new offices in Madrid, Dallas, Los Angeles, Chicago and Atlanta to expand its international sales presence.

25. Recognition of liabilities arising from financing activities
The change in the Group's liabilities arising from financing activities can be classified as:

	Long-term borrowing £000	Short-term borrowing £000	Total £000
1 January 2018	–	–	–
Cash flows:			
– repayment	–	(850)	(850)
– proceeds	14,450	2,550	17,000
	14,450	1,700	16,150

26. Deferred tax assets and liabilities
Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2018		2017	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Intangible assets	–	5,709	–	–
Tax (assets) / liabilities	–	5,709	–	–
Net deferred tax liabilities	–	5,709	–	–

Movement in deferred tax during the year:

	1 January 2018 £000	Acquired in business combination £000	31 December 2018 £000
Intangible assets	–	5,709	5,709
	–	5,709	5,709

Advisers

Legal Counsel
Pinsent Masons
30 Crown Place
Earl Street
London
EC2A 4ES
020 7418 7000

Financial Public Relations
FTI Consulting
200 Aldersgate Street
London
EC1A 4HD
020 7979 7400

Financial Adviser, NOMAD, Joint Broker
Panmure Gordon
1 New Change
London
EC4M 9AF
020 7886 2500

Financial Adviser, Joint Broker
Numis Securities
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

Reporting Accountant and Auditor
Grant Thornton
30 Finsbury Square
London
EC2A 1AG
020 7184 4300

Registrars
Neville Registrars
Neville House
18 Laurel Lane
Halesowen
B63 3DA
0121 585 1131

Company Registration Number: 09980752