Bigblu Broadband plc Annual Report and Accounts 2018

Company Information

Directors	M Tobin OBE A Walwyn F Waters S Clifton P Howard S Morana C Mills (Appointed 23 May 2018)
Company registration number	09223439
Company secretary	B Harber
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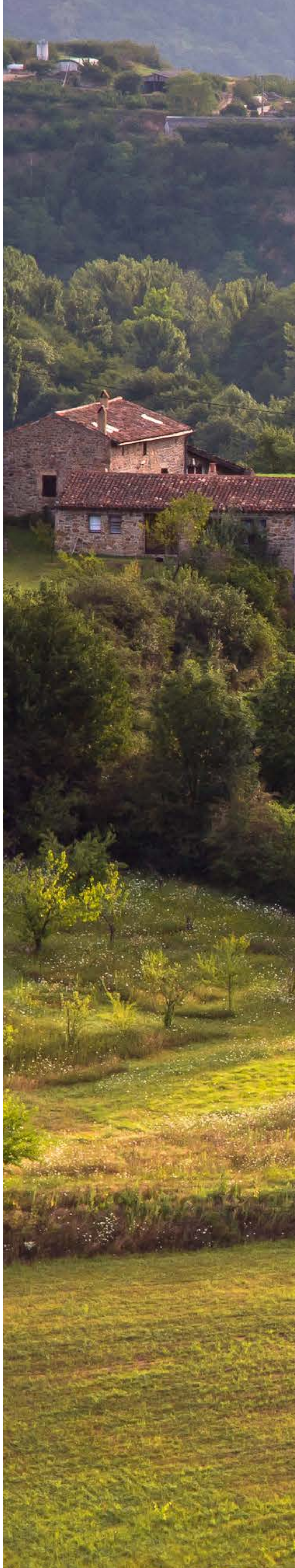
Broker & Nominated adviser	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Joint Broker	Dowgate Capital Stockbrokers Limited 15 Fetter Lane London EC4A 1BW
Solicitors	Shepherd and Wedderburn LLP 10 St. Paul's Churchyard London EC4M 8AL
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Auditors	haysmacintyre 10 Queen Street Place London EC4R 1AG

Content

COMPANY OVERVIEW

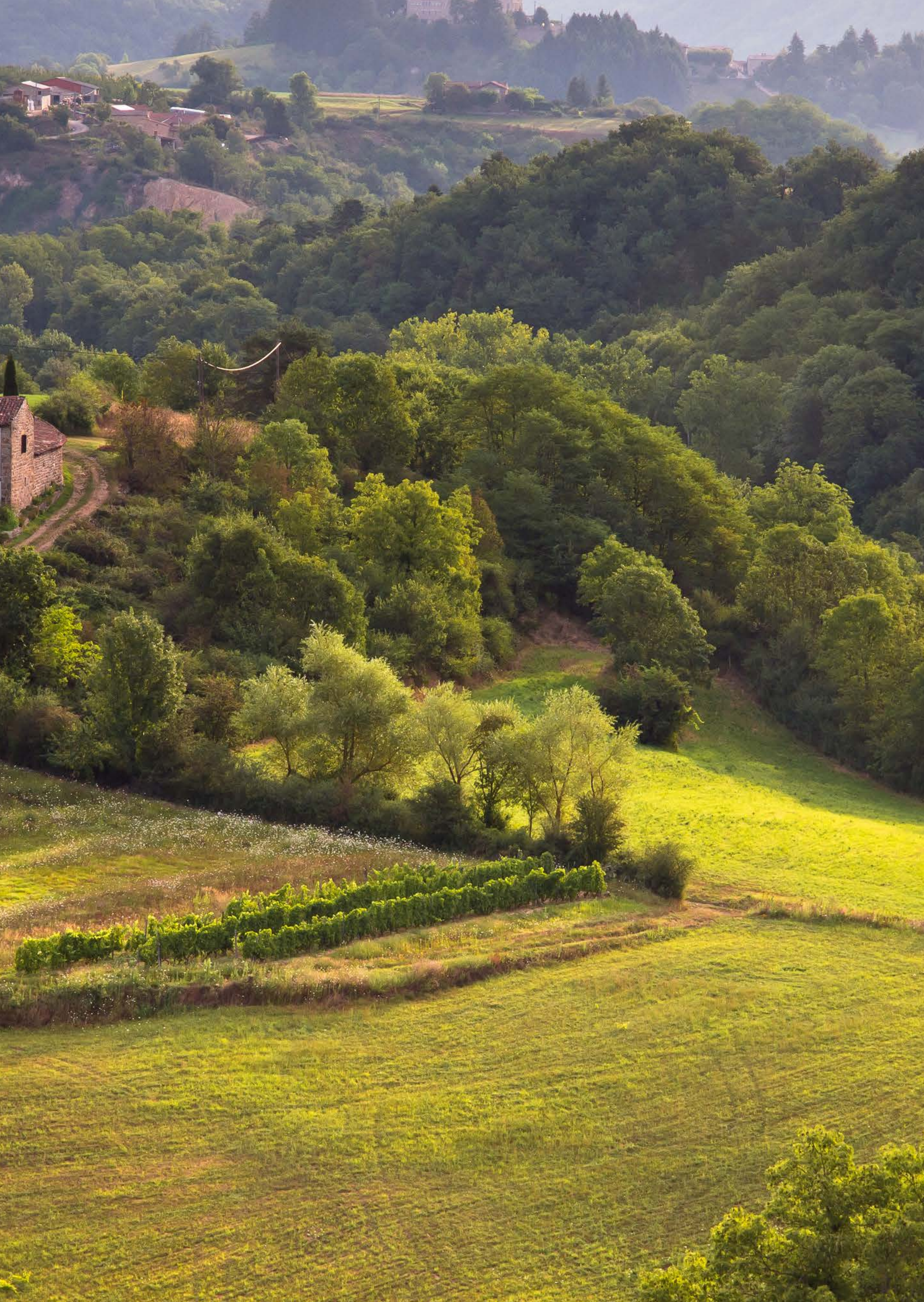


Bigblu Broadband plc (AIM: BBB), is a leading provider of alternative super-fast satellite and fixed wireless broadband solutions for consumers and businesses unserved or underserved by fibre broadband throughout Europe and Australia.

The Company has a significant target market with 27m customers in Europe with speeds of under 4 Mbps, and a further 1m in Australia who have been identified as only suitable for either satellite or fixed wireless broadband. Acquisitive and organic growth have enabled the Company to grow rapidly since inception in 2008 during which time the Company has completed 20 acquisitions across nine different countries. It is well positioned to continue growing as it targets customers that are trapped in the 'digital divide' with limited or no fibre broadband options.

The Company's range of solutions includes satellite, next generation fixed wireless and 4G/5G delivering between 30 Mbps and 300 Mbps for consumers, and up to 1 Gbps for businesses. It provides customers ongoing services including hardware support, pre and post-sale support, installation, billing and portal support whilst offering various tariffs depending on end user requirements.

Importantly, as core technologies evolve, and cheaper capacity is made available, the Company will continue to offer ever increasing speeds and higher data throughputs to satisfy market demands including 'video-on-demand'. BBB's alternative broadband offerings present a customer experience that is similar to that offered by wired broadband and the connection can be shared in the normal way with PCs, tablets and smart-phones via a normal wired or wireless router. High levels of recurring revenue, increasing economies of scale and Government support for the alternative broadband market in many countries provides a solid foundation for the Company as it targets further organic growth to 150,000 customers by 2020 as demand for alternative super-fast broadband services increases around the world.



STRATEGIC REPORT

Chairman's Statement

I am very pleased to be able to report another year of growth for the Group both organically and through acquisition.

2018 has been a significant year for the Group. Customer numbers have increased to over 113k and we have successfully shown that in addition to growing the Group organically, we can consolidate our industry; identifying, negotiating, acquiring and integrating new companies into the Group.

During the year, we generated strong growth in our core markets, with an 8.2% increase in like for like revenues in the year (2017: 12.7%). In addition, we raised approximately £12m of equity from existing and new investors and obtained a £3.25m extension to our Revolving Credit Facility with HSBC, with £0.4m being utilised in the year. These facilities were used to fund two major acquisitions (one in Italy and one in Germany, completing our European footprint), and also for working capital and investment opportunities mainly in supporting the launch of the Hybrid Retail Agreement and also the Preferred Partner program.

The acquisitions of Open Sky, a leading satellite broadband provider in Italy with c.14,500 customers and Sat Internet, a well-established provider of satellite broadband based in Germany, with c. 6,000 customers in Germany and Austria and a further c. 500 customers in Portugal, represent new territories for the Group and will form new hubs with a combined customer base of c. 21,000 whilst adding significantly to the Groups operational footprint and scale within Europe. Raising new equity and debt capital has been key to the Group's success and growth in 2018 and I would like to thank both our existing and new shareholders for their support.

The Hybrid Retail Agreement "HRA" signed earlier in the year with Eurobroadband Retail "EBR" (agreement between Viasat Inc and Eutelsat Communications) provides an excellent opportunity for organic growth in low filled beam areas. Specifically, we have launched hybrid operations in Norway, Sweden, Finland, Poland and Spain. In its first step toward building a retail consumer broadband business across Europe, EBR selected the Group to assist with localised retail services and subscriber management. Specifically, the Group provides in-language/in-market sales, installation, billing, customer care and logistics services. EBR provide marketing support, satellite network capacity and customer premise equipment, among other ancillary requirements supplying the customer population.

The Group invested significant set-up costs of c £1.9m in the year as it launched in five new territories including establishing new corporate entity in Spain, local Pathfinder instances in each jurisdiction, telco licences, significant branding exercises together with headcount expenses in start-up ahead of revenue generation. At the end of the year with c 3,700 customers this represented an investment of c£432 per new customer. Following this investment, the Group has seen continued increases in net adds under the HRA program and improving ARPU's.

On 6th December 2018 the Group announced that it had been selected as a preferred partner by Eurobroadband Infrastructure ("EBI"), a subsidiary of Eutelsat (NYSE/Euronext: ETL), to launch a market leading superfast satellite broadband service to consumers and businesses across Europe, outwith the HRA territories significantly extending our market offerings throughout Europe.

Under this commercial arrangement EBI will provide satellite network capacity, as well as assist with subscriber premises equipment, installation and marketing to support the 'Konnect' brand. The Group will promote and sell satellite broadband services while managing all activities related to subscriber management including installation, billing and support. Based on a shared growth model, the Group will be an integral part of EBI's strategy of revitalising the distribution network over its KA-SAT satellite to boost the deployment of internet access via satellite across Europe in line with EU 2020 targets.

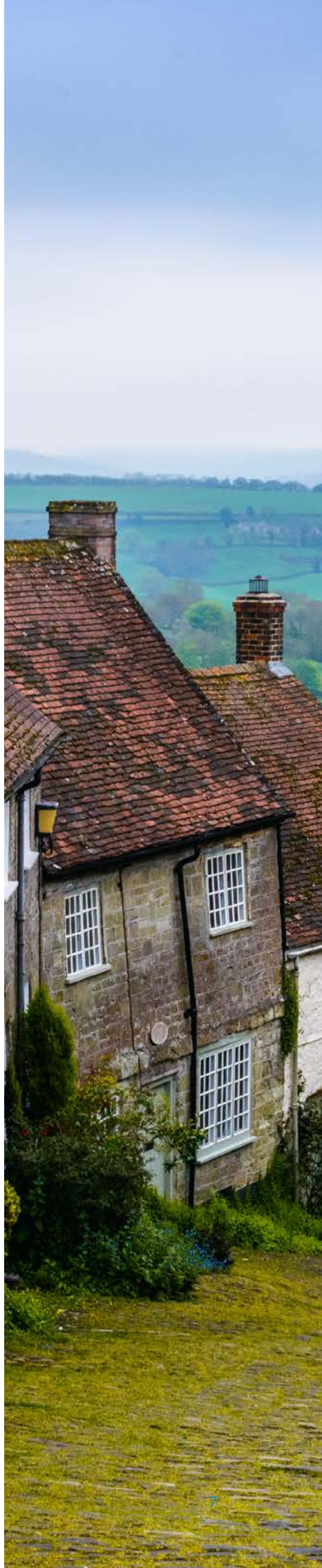
During the year under review a significant amount of effort has gone into improving internal operations following the appointment of a new Chief Operating Officer in January 2018. This focus on improving operations and customer experience will enable further revenue and operating margin enhancements to be generated from the growing customer base.

As stated last year, I am a strong believer that good corporate governance supports a Group's long-term success. This is even more important for 2019 and beyond, given the speed of our growth, the increased amounts of capital raised and the geographic spread and size of our business. The structures, advisers and committees we have in place for establishing and articulating the Board's strategy and monitoring the performance of the Group's management continue to evolve. Christopher Mills joined in May 2018 and has brought considerable experience to the Group. Mr Mills founded Harwood Capital Management in 2011, a successor from its former parent company JO Hambro Capital Management, which he co-founded in 1993. He is investment manager of North Atlantic Smaller Companies Investment Trust plc and is non-executive director of several companies, including Augean plc, EKF Diagnostics Holdings plc, Goals Soccer Centres plc, Journey Group plc, Ten Entertainment Group plc and MJ Gleeson plc. Previously, Mr Mills was a director of Invesco MIM, where he was head of North American investments and venture capital, and of Samuel Montagu International.

Part of our governance regime is our continued regular communication with shareholders as our strategy continues to progress. To this end, we have embarked on an inclusive investor relations programme in 2019 and welcome all shareholders to the Group's AGM on 22 May 2019, which will be held at the offices of Harwood Capital LLP, 6 Stratton Street, London W1J 8LD. My colleagues and I look forward to welcoming you there.

Finally, I would like to thank Andrew Walwyn, his management team and all the staff in the Group for their efforts in 2018. Everyone played their part in a demanding yet successful year in the Group's life. I, and the rest of the Board, are looking forward to the remainder of 2019 with confidence.

Michael Tobin OBE
Chairman
25 March 2019



Chief Executive Report

Overview

2018 was a pivotal year for the Company, completing the European footprint expansion with two significant acquisitions, establishing new consumer models in five territories and integrating acquired businesses onto the Company's operational platforms to underpin further organic growth.

The acquisitions of Open Sky and Sat Internet completed during the period further strengthened the Company's operating capabilities, adding new territories whilst completing the footprint expansion across Europe. Our geographic expansion was especially pleasing given the significant set-up costs and delays experienced in the first half of the year due to operational difficulties within the EBB partnership between Viasat and Eutelsat, which were completely out of our control.

However, the Company has ultimately benefited from being involved in the strategic ambitions of two of the World's largest satellite operators and the Company expects to benefit significantly going forward as its partners launch new services across Europe.

During the period the Company completed a £12m equity fundraise with new and existing investors to fund the acquisitions of Open Sky and Sat Internet and extended its revolving credit facility with HSBC to ensure the Company is well funded with a stronger balance sheet going into another period of growth.

Total Revenue

Total revenue increased by 26.1% to £55.4m (FY 2017: £43.9m) with recurring revenue, defined as revenue generated from the Group's broadband airtime, which is typically linked to contracts, up 19% to £49.5m representing 89.5% of total revenue. Adjusted EBITDA for the period was £6.8m representing an EBITDA margin of 12.3% compared to £4.7m in FY 2017 and an EBITDA margin of 10.6% demonstrating the good progress made, the benefits of recent acquisitions and the Group's ambitious growth strategy. Customer numbers increased year on year by 13% to c.113k compared to FY 2017 (c.100k).

Importantly, the Company met its total revenue targets once again despite the challenges faced during the period.

Continued Organic Growth

The Company continued to grow with an 8.2% increase in like-for-like revenue when compared to the prior period. This increase was primarily driven by continued customer additions and increased data demands from existing customers as well as further Government support.

Acquisitive Growth

Following a successful £12m (net £11.5m) equity fundraise, the Company acquired Open Sky and Sat Internet in May 2018 for an aggregate initial consideration of c£10m. These earnings enhancing acquisitions contributed approximately 21,000 new customers and are performing in-line with expectations.

Both companies formed new hubs for the business from which they will develop operations in Italy, Germany, Austria and Portugal, which the Company views as attractive growth markets.

These businesses also bring excellent leadership and team members with significant 'in market' experience including product knowledge, marketing strategies and reseller programmes that will ultimately help improve the Company's operational and financial performance.

The Company is therefore now well positioned to deliver total last-mile broadband solutions across all the major markets in Europe, using either satellite or fixed wireless technology.

Accelerating Technology Evolution

New satellites from our partners, which are fully funded and already in build, will likely usher in a completely different satellite broadband proposition. From the middle of 2020, the Company expects to be able to offer a fibre like service from the sky, with 100 Mbps download speeds and unlimited data allowances across key European markets. Furthermore, from 2021, we expect to be offering our customers between 200 Mbps and 300 Mbps download speeds.

Our fixed wireless businesses are also benefiting from significant advances in technology improving speeds and throughput. The Company has now demonstrated the first 1 Gbps capable network with a pioneering mmWave technology, utilising the newly released 60 GHz spectrum. Importantly, all customers who have been connected to the Company's networks in Norway and the UK within the last year are now able to be connected at up to 100 Mbps if desired.

Continued Government Support

We remain focused on helping Governments across Europe achieve their stated targets to deliver 'universal broadband coverage' with download speeds of at least 30 Mbps by 2020 and coverage to more than 50% of households with speeds of at least 100 Mbps by 2025.

We remain convinced it will be difficult for Governments to meet these challenging targets without the use of super-fast alternative technologies such as satellite and fixed wireless broadband. Indeed, many Governments have already launched 'intervention schemes' to artificially stimulate the market and educate consumers about the options available to them given that fixed fibre broadband is unlikely to become a reality for many in the foreseeable future.

During March 2018, the Company received a £2.1m BDUK grant to carry out field trials to develop and establish the operating standards of the next generation of 5G fixed wireless broadband services utilising unused TV whitespace spectrum to increase super-fast wireless broadband penetration in very rural areas.

Across Europe, there are now Government funded support schemes in the UK, France, Germany, Spain and Hungary where the hardware and installation costs of getting online with satellite or fixed wireless are subsidised.

A similar scheme exists in Australia, where since entering the Australian Satellite Broadband market in March 2017 following the acquisition of BorderNET, the Company commanded 50% market share of net new adds under the Government funded NBNCo scheme during the last six months of the financial period.

Looking forward, other countries and Governments are expected to launch similar schemes in the near future.

Board Appointment and Expanded Senior Management Team

Christopher Mills – Non-Executive Director

Our largest shareholder, Christopher Mills, joined the Company as a Non-Executive Director on 23 May 2018. Mr Mills founded Harwood Capital Management in 2011, a successor from its former parent company JO Hambro Capital Management, which he co-founded in 1993. He is the investment manager of North Atlantic Smaller Companies Investment Trust plc, and is non-executive director of several companies. Total holdings in BBB, at the date of the announcement, are 22.9%.

Mark Anderson – Chief Operating Officer

In order to effectively manage the significant International growth opportunity, the Company appointed Mark Anderson as Chief Operating Officer (“COO”) during the period, who has already made a positive impact across the Company.

Post Balance Sheet Events

Eurobroadband Infrastructure

In December 2018, the Company announced Eurobroadband Infrastructure (“EBI”), a subsidiary of Eutelsat (NYSE/Euronext: ETL), had selected the Company as its preferred partner in its program to launch a market leading superfast satellite broadband service to consumers and businesses across Europe at download speeds of up to 50 Mbps.

Under this commercial arrangement, EBI will provide satellite network capacity, as well as assist with subscriber premises equipment, installation and marketing to support the ‘Konnect’ brand. The Company will promote and sell satellite broadband services while managing all activities related to subscriber management including installation, billing and support.

Based on a shared growth model, the Company will be an integral part of EBI’s strategy of revitalising the distribution network over its KA-SAT satellite to boost the deployment of internet access via satellite across Europe in line with EU 2020 targets.

Whilst the PPP agreement was only signed in December 2018, tangible progress has already been made and the Board expects EBI to contribute significantly to its accelerated organic revenue growth in 2019 and beyond.

Quickline

In January 2019, Quickline, a subsidiary of the Company, acquired 100% of JHCS, for a consideration of £0.3m. JHCS is a wireless network provider that supplies fast broadband to homes and businesses in rural Nottinghamshire and Lincolnshire. The network will be managed by Quickline without any disruption to the service.

Over the years, Quickline has been working hard to bring superfast internet to rural and remote areas, which includes its key role in the development of 5GRIT – the 5G Rural Integrated Testbed. The acquisition of JHCS was an important step in this ongoing mission to deliver fast, reliable and secure broadband to small villages, farms, holiday parks and other sites that are often ignored by larger service providers. By offering speeds of up to 100 Mbps, the company is helping rural businesses enhance the way they operate on a daily basis.

Outlook

The Company has now successfully positioned itself at the forefront of the alternative super-fast broadband industry. Our exciting product portfolio and expanding routes to market mean the Company is now one of the largest and most recognised companies in the industry.

Looking forward to the current year, there remains plenty of scope to take advantage of global growth opportunities including, but not limited to, launching new super-fast satellite broadband services within the European arena, rolling-out next-generation fixed wireless networks and further growth across Australia. Importantly, sales through partnership agreements are gaining strong traction through compelling consumer product offerings and increased marketing spend, which underpins our rapid organic customer growth expectations in the current year.

Given the above, the Company looks forward to the remainder of the current financial year with a clear focus on accelerating organic revenue growth and continuing to leverage its increased scale from the recent acquisitions while also benefiting from improved management systems to ensure the Company can continue to deliver shareholder value.

Andrew Walwyn
Chief Executive Officer
25 March 2019

Financial Review

In the year, total customers increased from c100k at the start of the year to c113k as at 30 November 2018. The sales mix across the Company, following the disposal of fibre customers in Australia, was c.78% Satellite and c.22% Fixed Wireless during the period.

Total revenue increased by £11.5m or 26.1% to £55.4m (FY 2017: £43.9m), driven by organic growth as well as the net impact of acquisitions and disposals during the period. Like for like revenue growth was 8.2% (FY 2017: 12.7%) as the Company continued to add net new customers during the year, albeit at a reasonably modest rate, and a slightly increased average revenue per user ("ARPU") with other income including installations, services, network support and grants increasing during the period.

ARPU, calculated by dividing total revenues from all sources by the average customer base, increased in 2018 to approximately £42 per month (FY 2017: £41) as we began to offer better packages with increased revenue from services, installations and grant income.

Churn rates (defined as the number of subscribers who discontinue their service as a percentage of the total number of subscribers within the period), excluding disposed fibre customers, increased to an average of 21.6% per annum (FY 2017: 16.8%) during the period. This was due to in part to customer service issues as we migrated customer bases over to new systems and the slower network launch of new products and support. The Company recruited a call centre Director and expanded the customer experience team during the period to reduce the risks of these issues re-occurring.

Gross profit margins improved from 35.5% (FY 2017) to 40.6% (FY 2018) as a result of improved product sales mix and additional high margin other income, including grant income and support.

Distribution and administrative expenses, pre items identified as exceptional in nature, increased by 43.9% to £15.7m (FY 2017: £10.9m) representing 28.3% of revenue (FY 2017: 24.8%) due to a combination of the increased overheads relating to the completed acquisitions, and specific investments in central overheads across Senior Management, customer services, IT, HR and finance.

Underlying depreciation increased to £3.5m in FY 2018, from £2.7m in FY 2017 as a result of capital investment made during the period and a full depreciation charge for Quickline as it was acquired in August 2017. In addition, a further £3.1m depreciation charge was also provided following a full review of the useful economic life of fixed wireless assets in the UK and Norway.

Amortisation decreased to £7.5m in FY 2018, from £8.0m in FY 2017, mainly due to the completed amortisation of acquisitions made in FY 2016, which are written off over 24-month period, offset against increased amortisation for acquisitions completed in FY 2017 and FY 2018.

The Company incurred significant charges during the period, including costs related to fundraising, acquisitions, business consolidations and the initial start-up costs associated with Partnership agreements, are described in more detail in the following section.

Interest costs increased slightly during the year to £2.2m (FY 2017: £2.1m) as a result of increased interest charges for the draw down on the Revolving Credit Facility with HSBC during the period, which increased by £0.4m to £4.9m. The difference between the charge and the interest paid in the cash flow statement relates to the accrued redemption premium on the BGF debt.

The tax credit arises from the release of deferred tax on fully and partly amortised customer base intangible assets.

A reconciliation of the statutory operating loss before taxation for FY 2018 of £13.0m (FY 2017: £8.0m loss) to adjusted EBITDA is shown below:

	Audited 12 months to 30 November 2018	**Audited 12 months to 30 November 2017**
	£000	**£000**
Statutory operating loss	(12,999)	(8,023)
Depreciation	6,629	2,716
Amortisation	7,491	8,049
Share based payments	395	353
Fundraise, legal and related costs associated with acquisition and disposal activity	1,617	975
Employee related costs associated with consolidations in the regions	980	601
Partnership investment start-up costs	1,893	-
Deferred Consideration Provision	800	-
Adjusted EBITDA	6,806	4,671

Company Statutory Results and EBITDA Reconciliation

Adjusted EBITDA (before share based payments, depreciation, intangible amortisation, acquisition, employee related costs, deal related costs and start-up costs) was £6.8m (FY 2017: £4.7m).

The Company incurred significant expenses in the period, that are considered exceptional in nature, are highlighted below:

- £1.6m of fees relating to the fundraising and M&A activity completed during the period
- £1.0m employee termination and redundancy costs where divisions or hubs have been consolidated including provisions made for the disposal of the Australian Fibre business
- £1.9m of specific set up costs incurred in relation to the HRA agreement with Viasat and the PPP agreement with Eutelsat. These were costs incurred in setting up business operations in Spain, Poland, Norway Finland, Sweden, Italy, Germany and Portugal including statutory entities, legal, telco licenses, websites, rebranding, finance, IT and internal headcount cost incurred in going live in all these territories.
- £0.8m provision as part of an 'earn-out' consideration for the acquisition of Quickline completed in 2017. As part of the total consideration, an additional earn-out payment is due to the vendors should certain performance targets be met over a three-year period. A provision of £2.7m was made in last year's accounts and further positive performance through 2018 has resulted in a further deferred consideration of £0.8m, which has now been provided for. Post period end £2m has been paid to the vendors.

Included within these identified costs are c£1.3m, which were not paid in the period but are anticipated to be paid in the current financial year.

Reported loss per share (basic and diluted) reduced from 19.7p to 25.8p as a result of increased depreciation and non-recurring items.

Revenue and Adjusted EBITDA in FY 2018 and the comparative period is segmented by geography as follows:

Segmental Analysis	**UK**	**Europe ****	**Australia**	**PLC ******	**Total**
Customers FY 18	26,312	55,055	32,153		113,520
Customers FY 17	28,574	33,052	38,614		100,240
Change Actual	(2,262)	22,003	(6,461)		13,280
Change %	(8%)	67%	(17%)		13%
Revenue FY 18	£16.4m	£23.8m	£15.2m		£55.4m
Revenue FY 17	£14.1m	£14.4m	£15.4m		£43.9m
Change Actual	£2.3m	£9.4m	(£0.2m)		£11.5m
Change %	16%	65%	(1%)		26%
Like for Like Revenue % growth ***	3.6%	5.7%	18.2%		8.2%
Adjusted EBITDA FY 18 *	£2.5m	£6.5m	£1.5m	(£3.7m)	£6.8m
Adjusted EBITDA FY 17 *	£3.2m	£3.0m	£0.6m	(£2.1m)	£4.7m
Change Actual	(£0.7m)	£3.5m	£0.9m	(£1.6m)	£2.1m
Change %	(23%)	115%	148%		46%
Closing Employees FY 18	99	111	58	4	272
Closing Employees FY 17	74	76	62	4	216
Change Actual	25	35	(4)	0	56
Change %	34%	46%	(6%)	0%	26%

* Adjusted EBITDA is before share based payments, depreciation, intangible amortisation, acquisition, employee related costs, deal related costs and start-up costs

** Europe comprises territories in which the Group operates in plus the results of the European partnership sales in Norway, Sweden, Finland, Poland and Spain

*** Like for like adjusted to exclude impact of disposal of fixed line division

**** Includes plc and central costs such as executive, finance, IT and central marketing costs

Performance against Key Performance Indicators

The Group utilises a number of Key Performance Indicators ('KPI's'), the definitions of which are included in the glossary, to measure performance against our strategy. A description of these KPI's and performance against them is set out below.

KPI	2018	2017	Description	2018 performance
Customer Base	113,520	100,240	Represents total gross organic connections plus acquisitions less disposals, less lost customers (churn) and base management since inception.	+ 13% growth
Customer Net Connects	13,280	21,523	Represents gross organic connections plus acquisitions less disposals, less lost customers (churn) and base management in the period.	Acquisitions accounted for c21k, disposals c11k and organic growth c3k in the current year
Revenue	£55.4m	£43.9m	Revenue represents that element of billings recognised in the period, including from bases or companies acquired from their date of acquisition and government grants	Includes two acquisitions this year generating revenues of c£5.8m. Remainder comes from organic and acquisitions growth in 2017 annualised and government grants
Organic Revenue Growth*	8.2%	12.7%	Organic revenue growth compares current and prior period revenue, treating acquired businesses as if they had been owned for the relevant period in both years	Continued growth in current year, impacted by increased churn in core markets and delays in JV
Adjusted EBITDA** EBITDA %	£6.8m 12.3%	£4.7m 10.6%	Earnings before share based payments, depreciation, intangible amortisation, acquisition, employee related costs, deal related costs and start-up costs is the measure of the Group's operating performance. It evaluates performance without factoring in financing decisions, accounting decisions or tax environments or provisions for potential legal costs, share based payments, acquisition costs and fund-raising fees.	Includes contributions from two acquisitions this year. Remainder comes from current year organic and acquisitions in 2017 annualised.
Operating Cash Flow	£4.9m	£2.3m	Operating cash flow relates to the amount of cash generated from the Group's operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non-cash items.	Operating cash flow improved due to increased EBITDA and working capital management.
Free Cash Flow	£1.1m	(£2.0m)	Cash generated by the Group after investment in capital expenditure and servicing debt.	Free Cash Flow improved due in large part to improved Operating Cash Flow and a reduction in CAPEX.
EPS	(25.8p)	(19.7p)	Earnings per share (EPS) is the portion of a Group's profit allocated to the weighted average of each outstanding share, allowing for the May share issue and capital structure change of 15 shares for each 1.	EPS during the year was from a loss of 25.8p in 2018 compared to 19.7p in 2017

* organic revenue growth compares current and prior period revenue, treating acquired businesses as if they had been owned for all of both periods on a constant currency basis

** Adjusted EBITDA represents earnings before interest, taxation, depreciation, amortisation, share based payments and other exceptional costs

Operating and Free Cash Flow

The Group delivered adjusted EBITDA in the year of £6.8m (2017: £4.7m). Operating cash flow including M&A related costs and working capital movements was £4.9m inflow (2017: £2.3m inflow), which represents a conversion of 72% (2017: 48%) of adjusted EBITDA.

Interest paid in the period amounted to £1.5m (FY 2017 £1.4m) and the Group received approximately £11.5m from the issue of shares (2016 £7.5m) and other bank support of £0.4m (FY 2017 £4.5m) which enabled it to invest in further growth. At 30 November 2018, the Group had cash in the bank of £5.1m (2017 £3.5m).

	2018 £000	2017 £000
Operating Loss from Continuing Operations	(12,999)	(8,023)
Add back: non-cash items and M&A related costs	19,805	12,694
Adjusted EBITDA	6,806	4,671
Fundraise, legal and related costs associated with acquisition and disposal activity	(1,617)	(975)
Employee related costs associated with consolidations in the regions	(980)	(601)
Partnership investment start-up costs	(1,893)	-
Deferred consideration provision	(800)	-
Other cash flow items including working capital and foreign exchange variances	3,354	(830)
Operating Cash Flow	4,870	2,265
Interest paid	(1,478)	(1,406)
Tax Paid	(18)	-
Capital expenditure	(2,282)	(2,826)
Free Cash Flow	1,092	(1,967)

Cash performance

Operating cash flow, including exceptional costs and after movements in working capital, increased from £2.3m in FY 2017 to £4.9m in FY 2018. This represents a conversion of 72% (FY 2017 48%) of Adjusted EBITDA. This improvement largely reflects working capital improvements of £6.1m, some of which will reverse in the current year and which have more than offset cash exceptional costs.

Interest paid in the period amounted to £1.5m (FY 2017 £1.4m).

Capital expenditure of £2.3m in the current year compares to £2.8m in 2017 as the Company continues to invest in tower and mast infrastructure following the acquisition of Breiband in 2016 and Quickline in 2017, in addition to providing customers with equipment for the services provided.

Acquisition expenditure included £11.6m related to the acquisitions made in Germany and Italy together with deferred consideration and earn out payments. In addition, we incurred £1.8m of intangibles expenditure for software and network development.

Financing cash flow includes £11.5m proceeds from equity issuance, £1.5m cash and £0.4m loans within subsidiaries acquired and £0.4m proceeds from loan drawn down.

Net Debt and Cash

Total Debt increased in the year by £0.8m to £17.0m, due to a £0.4m increase in the RCF with HSBC and a loan of £0.4m acquired on the acquisition of Open Sky.

Net debt decreased year on year from £13.1m as at 30 November 2017 to £11.9m as at 30 November 2018. This was primarily a result of the improved operating cash flow after movements in working capital of £4.9m in FY 2018 compared to an inflow of £2.3m in FY 2017. Acquisition activity continued to be funded through our financing activities. The receipt of equity proceeds of c£11.5m, was used to fund the acquisitions of Sat Internet Services and Open Sky, as well as additional funding for working capital.

	2018 £m	2017 £m
Opening Net (Debt) / Cash	(13.1)	(10.2)
Facilities Received	(0.4)	(4.5)
Debt on acquisition	(0.4)	-
Facilities Repaid	0.4	1.4
Movement in Cash	1.6	0.2
Movement in Net Debt	1.2	(2.9)
Closing Net Debt	**(11.9)**	**(13.1)**

Applying our bank's adjusted measure of financial leverage, the Group's year-end net debt to EBITDA ratio was 1.82x, reducing from 2.78x at the previous year-end.

	2018 £m	2017 £m
Net cash and cash equivalents	5.1	3.5
Bank loans	(4.9)	(4.5)
BGF loan	(11.7)	(11.7)
Other loans / Finance Leases	(0.4)	(0.4)
Net Debt	**(11.9)**	**(13.1)**
Adjusted Net Debt / EBITDA	**1.75x**	**2.79x**

Taxation

The reported tax credit in the year was £1,870k (2017: £2,451k credit) against a reported pre-tax loss of £15.2m (2017: £10.1m). The underlying effective tax rate measured against adjusted loss before tax is 19% (2017: 19%).

Balance Sheet

Net assets on the balance sheet are £10.1m (FY 2017: £9.3m).

Goodwill increased mainly due to the FY 2018 acquisitions (£11.6m), offset against amortisation of £7.5m.

Inventory days increased to 22 days (FY 2017: 18 days) and debtor days increased to 32 days (FY 2018) from 25 days (FY 2017). Creditor days increased to 107 days (FY 2018) from 95 days (FY 2017) due to extended terms from our airtime providers and delayed payments to a key supplier in Australia in respect of the disposal of the fibre business. Within other creditors of £9.2m, £6.4m relates to total deferred consideration provisions.

Total debt increased in the year by £0.8m to £17.0m, due to a £0.4m increase in the RCF with HSBC and a loan of £0.4m acquired on the acquisition of Open Sky.

Net debt decreased year on year from £13.2m as at 30 November 2017 to £11.9m as at 30 November 2018. This was primarily a result of the improved operating cash flow after movements in working capital of £4.9m in FY 2018 compared to an inflow of £2.3m in FY 2017. Acquisition activity continued to be funded through our financing activities. The receipt of equity proceeds of c£11.5m, was used to fund the acquisitions of Sat Internet Services and Open Sky, as well as additional funding for working capital.

As at 30 November 2018, the Group had a cash balance of £5.1m and £3.2m of headroom under the HSBC facility. The increase in cash is largely due to the continued support of our Network Partners. However, we recognise as we work closer with our network partners across existing and new territories, there will be a desire to reduce creditor days. We will continue to work with them to ensure payment terms are appropriate for our size of business alongside the ongoing marketing and product support obligations to ensure the Company can deliver consistently improving products and services to its customers.

Earnings per share

On 28 May 2018 the Group reorganised its share capital by way of a consolidation (the "**Consolidation**"). Upon implementation of the Consolidation, every 15 ordinary shares of 1p each in the capital of the Group ("**Existing Ordinary Shares**") then in issue were consolidated into 1 new ordinary share of 15p ("**New Ordinary Share**"). The weighted average number of shares for last year and the earnings per share has been restated to reflect the Consolidation.

Basic earnings per share from continuing operations was a loss of 25.8p in the year, compared with a loss in 2017 of 19.7p. Adjusted earnings per share (i.e. before amortisation of intangibles, share based payments, start-up costs and accelerated depreciation) moved from a profit of 6.0p last year to a profit of 5.2p this year.

	2018	2017
Basic earnings per share	**(25.8p)**	(19.7p)
Basic adjusted earnings per share	**5.2p**	6.0p

Accounting standards

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed and adopted for use in the EU. There have been no changes to IFRS this year that have a material impact on the Group's results. IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers) come into effect from January 2018 and will not be relevant to the Group until accounting year ended 30 November 2019. IFRS 16 (Leases) comes into effect from January 2019 and will not be relevant to the Group until accounting year ended 30 November 2020.

Going concern

The Directors have prepared and reviewed projected cash flows for the Company reflecting its current level of activity and anticipated future plan for the next 12 months. The Company is currently loss-making, mainly as a result of amortisation and other charges including additional depreciation, and will continue to be so for the foreseeable future. The business continues to grow the number of users in a number of key target markets and continues to review the short-term business model of the company by which the company becomes profitable and delivers a return on the investments.

The Board has concluded that no matters have come to their attention which suggest that the Company will not be able to maintain its current terms of trade with customers and suppliers. The Company's forecasts for the newly combined Company, including due consideration of the short term continued operating losses of the Company, taking account of possible changes in trading performance, indicate that the Company has sufficient cash available to continue in operational existence throughout the forecast period and beyond. As a consequence, the Board believes that the Company is well placed to manage its business risks and longer-term strategic objectives, successfully. Accordingly, they continue to adopt the going concern basis in preparing these results

Dividend

At this stage given the investment in organic growth opportunities being considered, the directors do not recommend the payment of a dividend (2017: Nil)

On behalf of the Board

Frank Waters
Chief Financial Officer
25 March 2019

Principal Risks and Uncertainties

The Board and management regularly review and monitor the key risks involved in running and operating the business. The future success of the Group is dependent on the Board's ability to implement its strategy. The model for the future development of the Group is reliant on its ability to achieve a critical mass of customers, its ability to derive revenue from these customers by providing excellent technical support, a value-added service, solution delivery and delivering operational gearing. The table below sets out a number of the material risks together with relevant mitigating factors.

Dependence on satellite owners and satellite infrastructure

Risk: The Group is dependent on its ability to purchase broadband capacity from satellite owners. The terms upon which satellite owners sell such capacity may change to the Group's detriment and the Group may not be able to secure capacity from the satellite owners with which it currently deals.

In the event of the failure of a satellite, the Group may not be able supply broadband access to part of its customer base, which would have an adverse impact on the Group's relationship with its customers and its revenues, its operational results of operations and its prospects.

Mitigation: The Board is in regular dialogue with the network providers to ensure appropriate capacity exists in target markets at an affordable price. New satellites and capacity changes from time to time, so it is vital the relationship with the satellite owners, both in Europe and Australasia, continues to prosper.

Overbuild by fibre in areas where the Group has presence

Risk: Operators, either commercially or funded through Government Schemes, overbuilds the Group's existing wireless network. This increases price competition and could provide faster speeds (potentially up to Ultrafast) that wireless internet is currently capable of. This would reduce Group revenues and could potentially make certain areas unviable.

Mitigation: Group strategy is to focus in rural areas where fibre is not commercially viable thereby avoiding direct competition with fibre operators where possible.

Key contract terms

Risk: The Group's current contractual agreements with the satellite owners are typically non-exclusive, are terminable immediately or within a short timeframe of giving notice, do not contain restrictive covenants which would prevent the satellite owners from directly competing with the Group and do not contain express provisions obliging them to continue providing services to the Group

Mitigation: The Board work closely with satellite owners as partners to develop short, medium and longer-term sales plans, target opportunities and markets. This is especially so with the agreement signed with Euro Broadband Retail "EBR" hybrid retail agreement. "HRA".

Lack of spare capacity within satellite fleets

Risk: Currently there is significant spare capacity within the satellite fleets for a much larger number of customers, while competition between satellite owners serves to keep the wholesale cost of the capacity in proportion to (albeit typically still more expensive than) a fibre broadband offering.

However, the nature of satellite broadband coverage means that whilst there is excess capacity overall, in specific locations certain satellites can have very limited availability if their capacity is already full or in the peripheral areas of satellite coverage.

In the event that there is insufficient capacity, the Group may be unable to provide services to existing customers or to accept new customers which may have an adverse effect on the Group's relationship with its customers, revenues, results of operations and prospects.

Mitigation: The Board works closely with the satellite owners to identify potential congestion issues and in the development of ways to overcome these challenges.

The Group seeks to maximise coverage availability to its customers by having relationships with a range of satellite broadband providers.

The work done recently by EBR together with the commercial Agreement signed, will also ensure the Group will be focused on those areas with excess capacity for organic growth.

Acquisitions

Risk: The Group believes there is an opportunity to continue acquisition of customers by way of accretive bolt-ons in existing markets.

However, there can be no guarantee the Group will be able to agree terms with potential sellers of assets, or that, if terms are agreed, that the new customer base can be retained and integrated into the Group's operations. This would slow down inorganic growth plans.

The Group intends to conduct appropriate due diligence in respect of its acquisition targets and to identify any material issues that may affect the decision to proceed with the purchase. During the due diligence process the Group is only able to rely on the information that is available to it. That information may not be accurate or remain accurate during the due diligence process.

More broadly, there can be no guarantee that due diligence undertaken will be adequate or reveal all relevant facts or uncover all significant liabilities. If due diligence fails to identify key information, or if the Group considers such material risks to be commercially acceptable, the Group may be forced to write-down or write-off assets of the target acquired. This may have a material adverse effect on the Group's business, financial condition or results of operations.

In addition, following an acquisition, the Group may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could have a material adverse effect on the Group's financial condition and results of operations, especially if the due diligence is required to be undertaken in a short timeframe or in a competitive situation.

Mitigation: Roll up strategies are inherently risky. This risk is mitigated as far as possible by working closely with existing management teams, professional advisors and network operators to reduce the risks during the acquisition stage.

Dedicated resources are employed internally to support the due diligence process and to on-board the businesses into the Group and further enhance our operating system capabilities to reduce on going risk.

Competition from existing/emerging alternative technologies

Risk: There may be competition from existing and emerging alternative technologies, such as 4G, and 5G, improved versions of the wide area radio network or mesh radio technologies. In the event that such technologies become widely available, the Group's subscriber base, revenues, results from operations and prospects may be adversely affected.

Mitigation: The Board recognises this risk and seeks to mitigate it by regular dialogue in the marketplace with other solution providers to ensure the Group's offering is adjusted accordingly to meet the market demands.

Government policy and increased investment in fibre roll-out

Risk: Given the importance of digital connectivity to the economy, it may be the case that many Governments further invest in fibre roll-out thus reducing the market size for satellite and wireless broadband.

Mitigation: Recent government announcements in the UK and Australia indicate support will be provided for satellite and wireless providers. We remain confident this will continue within the jurisdictions in which we operate.

System reliance

Risk: The Group believes the proprietary technology platform, Pathfinder, built on Microsoft technology is a key contributor to the operational success of the business. In the event of a system failure of the platform or any other technology or system operated by a third party, short term operations would be affected adversely. This is especially important as we on-board new acquisitions.

Mitigation: Continued and sustained development and testing of the existing systems is undertaken regularly. Enhancements are rolled out during the course of the year.

Dependence on key executives

Risk: The performance of the Group will depend heavily on its ability to retain the services of the Board and to recruit, motivate and retain further suitably skilled personnel. The loss of the services of key individuals may have an adverse effect on the business, operations, customer relationships and results.

Mitigation: The Board will continue to ensure that the management team are appropriately incentivised and that there is scope to appropriately incentivise new key personnel where required. The Group operates a share option scheme which enables employees to benefit from continued growth. It also ensures that the management team, staff and shareholders objectives are aligned.

Fraud, including cyber attacks

Risk: As a provider of broadband solutions, the Group is a potential target and products may have vulnerabilities that may be targeted by attacks specifically designed to disrupt the Group's business and harm its reputation.

If an actual or perceived breach of security occurs in the Group's internal systems, it could adversely affect the markets perception of the Group's products or internal control systems. In addition, a security breach could affect the Group's ability to provide support for customers.

Mitigation: The Group have dedicated technical staff who focus on investigation and mitigation of risks related to fraud and cyber-attacks.

Future funding

Risk: Should the Group decide to accelerate its growth strategy, new funding, either debt and/or equity, will be required. No assurance can be given that any such additional financing will be available or that, if available, it will be on terms acceptable to the Group. Furthermore, any additional equity capital may dilute shareholders' ownership interests in the Group and may have an adverse impact on the value of the Group's equity. The terms of financing may also adversely affect shareholders' holdings or rights or may contain restrictive covenants. If adequate additional funding cannot be obtained, the Group may have to abandon or limit any planned acquisitions which may have a material adverse effect on the Group's business, financial condition, future trading performance and prospects.

Mitigation: The Board will seek additional funding as appropriate and at the appropriate time to achieve the strategic goals of the Group. This may involve acceleration of the funding requirements should the relevant opportunities arise.

With that in mind the Directors will continuously review funding and capital requirements relative to acquisition opportunities that it negotiates.

Force majeure

Risk: The Group's operations now or in the future may be adversely affected by risks outside its control, including space debris damaging or destroying satellites, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

Mitigation: This continues to be monitored by the Board with our professional advisors, satellite and wireless operators and insurance specialists.

General economic conditions

Risk: Market conditions, particularly those affecting telecoms and technology companies may affect the ultimate value of the Group's share price, regardless of operating performance. The Group could be affected by unforeseen events outside its control, including, natural disaster, terrorist attacks and political unrest and government legislation or policy. Market perception of telecoms and technology companies may change which could impact on the value of investors' holdings and impact on the ability of the Group to raise further funds. General economic conditions may affect exchange rates, interest rates and inflation rates.

Mitigation: This continues to be monitored by the Board with our professional advisors.

Brexit

Risk: The Board is monitoring the impact that Brexit may have on the Group's performance but awaits clearer guidance on what this might look like in reality once the decisions are made.

Mitigation: A significant part of the business arises within the EU but is primarily linked to airtime provision in these countries rather than the specific trade in goods. The systems are developed in such a way to provide maximum flexibility in billings and collections and we are in regular dialogue with HSBC and our Network Partners to assess risks

The Strategic Report was approved by the Board of Directors on 25 March 2019 and was signed on its behalf by:

Andrew Walwyn
Chief Executive Officer

GOVERNANCE

Directors' Report

The Directors present their report together with the audited financial statements for the year ended 30 November 2018.

Results and dividends

The consolidated statement of comprehensive income for the year is set out on page 45. No dividend has been declared or is proposed for the year (2017: Nil).

Directors and their interests

The Directors who served during the year are set out below, together with their beneficial interests in the ordinary shares of the Group. Biographical details are included on pages 22-24.

On 28 May 2018 the Group reorganised its share capital by way of a consolidation (the "Consolidation"). Upon implementation of the Consolidation, every 15 ordinary shares of 1p each in the capital of the Group ("Existing Ordinary Shares") then in issue were consolidated into 1 new ordinary share of 15p ("New Ordinary Share"). The consolidation has been reflected in the below figures.

		2018		2017	
	Appointed	**Ordinary shares of 15p each**	**Share options**	**Ordinary shares of 15p each**	**Share options**
Michael Tobin	29 Sept 2015	227,277	226,667	113,511	226,667
Andrew Walwyn	12 May 2015	2,968,438	755,240	3,301,771	333,333
Frank Waters	12 May 2015	296,480	848,753	286,490	509,787
Simon Clifton	29 Sept 2016	1,866,030	429,953	2,266,030	100,000
Paul Howard	29 Sept 2015	149,577	133,333	140,578	133,333
Stephen Morana	10 Feb 2017	199,783	133,333	188,933	133,333
Christopher Mills*	23 May 2018	258,334	-	-	-
Total		5,965,919	2,527,279	6,297,313	1,436,453

* Mr Christopher Mills also has an indirect interest in a further 12,975,000 shares in the Group (through his interests in Oryx International Growth Fund Limited, Harwood Capital LLP and North Atlantic Smaller Companies Investment Trust). His total indirect and direct holdings is 13,233,334 shares representing 22.9% of the issued share capital.

The Group has established an EMI option scheme and an 'unapproved' share option scheme, pursuant to which the CEO and other members of staff have been or may be granted share options. The number and exercise price of options over ordinary shares in the Group held by Directors at the end of the year were as follows:

	EMI Share options	**Exercise price (pence)**	**Remaining share options**	**Remaining exercise price (pence)**
Michael Tobin	-	-	133,333	78.75
Michael Tobin	-		93,333	114.45
Andrew Walwyn	233,333	78.75	-	
Andrew Walwyn	51,942	114.45	48,058	114.45
Frank Waters	189,784	29.64`	86,450	114.45
Frank Waters	227,273	78.75	6,061	78.75
Frank Waters	217	114.45		
Simon Clifton	100,000	114.45		
Paul Howard	-	-	66,667	114.45
Paul Howard	-	-	66,667	78.75
Stephen Morana	-	-	133,333	131.25
Total	802,549		633,902	

Following consultation with a number of shareholders and as highlighted in last year's report the Group has established a Long Term Incentive Plan ("LTIP"), pursuant to which the CEO and other members of staff have been or may be granted shares. The number and exercise price of ordinary shares in the Group held by Directors and other staff members at the end of the year were as follows:

	LTIP Share options	Exercise price (pence)
Andrew Walwyn	421,907	15.0
Frank Waters	338,968	15.0
Simon Clifton	329,953	15.0
Other staff members	800,733	15.0
Total	1,891,561	

There are a number of performance conditions as well as time restrictions relating to the financial year ended 30 November 2018 attached to these options. No Director options were exercised, lapsed or forfeited during the year.

Directors' Remuneration

The following table shows emoluments paid to Directors during the financial year:

	Year ended 30 November 2018					Year ended 30 November 2017
Current Directors:	**Salary/fees £'000**	**Bonus £'000**	**BIK £'000**	**Pension £'000**	**Total emoluments £'000**	**Total emoluments £'000**
Michael Tobin (Non-Executive Director and Chairman)	69	-	-	-	69	60
Andrew Walwyn (Chief Executive Officer)	229	85	19	7	340	330
Frank Waters (Chief Financial Officer)	187	70	12	5	274	266
Simon Clifton (Chief Technology Officer)	179	80	12	5	276	219
Paul Howard (Non-Executive Director)	52	-	-	-	52	40
Stephen Morana (Non-Executive Director)	46	-	-	-	46	32
Christopher Mills (Non-Executive Director)	-	-	-	-	-	-
	762	235	43	17	1,057	947

Service Contracts

The Chief Executive Officer, Chief Financial Officer and Chief Technology Officer have entered into service contracts with the Group that are terminable by either party on not less than 12 months prior notice. The non-executive Directors have entered into service contracts with the Group that are terminable by either party on not less than 3 months prior notice.

Pensions and Private Healthcare

There are pensions and private healthcare arrangements in place for the Chief Executive Officer and Chief Financial Officer and Chief Technology Officer.

Substantial shareholdings

As at 30 November 2018 the Group was aware of the following interests in 3% or more of its issued voting share capital:

Shareholder	% holding	No. of shares
Harwood Capital LLP	22.9	12,975,000
BGF Investment Management Limited	8.0	4,544,444
Mr Andrew Walwyn	5.2	2,968,438
Herald Investment Management Ltd	6.6	3,757,777
Mr Simon Clifton	3.3	1,866,030
Livingbridge	4.2	2,403,644
Hargreave Hale Ltd	5.9	3,359,148

Employee involvement

The Group's policy is to encourage involvement at all levels, as it believes this is essential for the success of the business. Employees are encouraged to present their views and suggestions in respect of the Group's performance and policies.

Financial risk management objectives and policies

The Group's financial instruments comprise cash, liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The Directors review the policies for managing each of these risks on an on-going basis and they are summarised in note 23 to the financial statements.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current available working capital and working capital facilities for the next 12 months. Therefore, the Directors consider the going concern basis appropriate.

Directors' indemnity and insurance

Pursuant to the Company's articles of association, the Company has granted an indemnity to its Directors and officers under which the Company will indemnify them, subject to the relevant article, against all costs, charges, losses and liabilities incurred by them in the performance of their duties. The Company has also arranged directors' and officers' liability insurance.

Board of Directors

Michael Tobin OBE: Non-Executive Chairman

Date of appointment:
Michael joined the Board and became Chairman in September 2015.

Committee memberships:
Michael chairs the Board's remuneration and nomination committees and serves on the audit committee.

Independence: The Board consider Michael to be an independent Director.

External appointments:
Michael currently holds numerous Non-Exec Directorships including Teraco in South Africa, Datapipe in the USA, Iconic in Madrid, Basefarm in Norway, Eurodiesel in Belgium, Chayora in Hong Kong and TeamRock, Popshack and PeoplePerHour in the UK, where he is also Chairman of Ultrahaptics. He is also an advisor to the board of OCom in Amsterdam.

Michael is a highly successful serial technology entrepreneur & pioneer with over 30 years' experience in the telecoms & technology sector.

As Chief Executive, Michael Tobin OBE led TelecityGroup plc, a leading FTSE250 Technology company from 2002 to 2015.

Michael joined Redbus in 2002 delisting it from the main market to AIM and then took it private, winning the London Business Awards "Business Turnaround of the Year" award in 2005. After engineering the merger with Telecity he successfully re-listed TelecityGroup in October 2007 winning the accolade of UK Innovation Awards IPO of the year 2008 and the techMARK Achievement of the year in the same year.

Subsequently he grew the business from £6m market cap in 2002 to being a top performer in the FTSE250 worth over £2Bn, being recognized as Britain's Most admired Tech Company in 2012.

Prior to joining TelecityGroup, Michael headed-up Fujitsu's e-Commerce operations in Frankfurt, Germany. Before that, he ran ICL's Danish outsourcing subsidiary out of Copenhagen Denmark. He also held several senior positions based in Paris for over 11 years including Business Development Director at International Computer Group coordinating global distribution of IT infrastructure. As a Non-Exec Director, Michael was instrumental in transforming PACNET in Hong Kong from a Sub Sea Cable operator to a successful Datacentre operator culminating in its sale in 2016 to Telstra for $800m.

Michael was named 'UK IT Services Entrepreneur of the Year' by Ernst & Young in 2009, 2010 & 2011; PWC Tech CEO of the Year 2007; London Chamber of Commerce 'Business Person of the Year' for 2009 & 2010; In 2009 was named techMARK 'Personality of the Year'; In 2007 & 2009 he was the winner of the DCE Outstanding Leader of the Year, and in 2008 won 'Data Centre Business Person of the Year' at the Data Centre Leaders awards. He was awarded 'Outstanding Contribution to the Industry' at the Data Centre Europe awards and in 2011 received a Lifetime Achievement Award for services to the industry. In 2005 he was named number 31 of Britain's Top 50 Entrepreneurs.

In 2015 Michael was honoured in the Queens New Year's Honours List with the Order of the British Empire medal for Services to the Digital Economy.

Paul Howard: Non-Executive Director

Date of appointment:
Paul joined the Board in September 2015.

Committee memberships:
Paul serves on the Board's remuneration and audit committees.

Independence: The Board consider Paul to be an independent Director.

External appointments:
Paul is an advisor to Oakley Advisory and joined the business in March 2015.

Paul spent over 15 years with J.P Morgan Cazenove as a telecoms and media analyst and was one of Cazenove's youngest ever partners. He won numerous awards from Reuters and Starmine and was Head of the Number One ranked European telecoms research team as ranked by the Institutional Investor in 2011. Paul left Cazenove in 2011 and became an investor and non-executive director of various small telecoms companies. He also spent a year with Morgan Stanley in 2015 helping their Select Risk equity trading business. Paul has a BSc from Durham University in Maths and is a qualified accountant.

Stephen Morana: Non-Executive Director

Date of appointment: Stephen joined the Board in February 2017.

Committee memberships: Stephen chairs the Board's audit committee and serves on the nomination committee.

Independence: The Board consider Stephen to be an independent Director.

External appointments: Stephen holds a number of non-executive roles.

Stephen has a wealth of technology, financial and equity capital markets experience. Until recently, Stephen was CFO of Zoopla Property Group plc, the FTSE250 digital media group, which also owns the uSwitch business. Before that he spent a decade at Betfair plc during which time he acted as CFO and interim CEO. He was part of the management team that grew the business from an early stage start-up to a multi-billion-pound listed business, which ultimately merged with Paddy Power to create one of the world's largest public online betting and gaming companies.

Christopher Mills: Non-Executive Director

Date of appointment: Christopher joined the Board in May 2018.

Committee memberships: None

Independence: The Board consider Christopher to be a non-independent Director.

External appointments: Christopher holds a number of non-executive roles.

Christopher founded Harwood Capital Management in 2011, a successor of the former parent company of Harwood, J O Hambro Capital Management which he co-founded in 1993. He is Chief Executive and Investment Manager of North Atlantic Smaller Companies Investment Trust plc and Chief Investment Officer of Harwood Capital LLP. He is a Non-Executive Director of several companies. Christopher was a Director of Invesco MIM, where he was head of North American Investments and Venture Capital, and of Samuel Montagu International.

Andrew Walwyn: Chief Executive Officer

Date of appointment: Andrew joined the Board as CEO on the completion of the reverse acquisition in May 2015.

Committee memberships: Andrew serves on the Board's nomination committee.

Independence: Executive – non-independent

External appointments: None

Andrew began his career at Carphone Warehouse before moving to DX Communications as Sales Director. Following the sale of DX to Telefonica, Andrew took on the role as Managing Director of Tiny Computers where he oversaw the sale of the ISP business to Tiscali and the eventual sale of the company to Time Computers.

In 2008, Andrew co-founded Bigblu Broadband having identified the gap in the market for satellite broadband.

Frank Waters: Chief Financial Officer

Date of appointment: Frank joined the Board as CFO on the completion of the reverse acquisition in May 2015.

Committee memberships: None

Independence: Executive – non-independent

External appointments: Frank holds a number of non-executive directorships in sports clubs.

Frank qualified as a Chartered Accountant (ICAS) with Ernst & Young in 1989. Frank has spent the last 20 years, primarily as finance director, in a number of fast growing entrepreneurial companies in the mobile, consumer electronics and technology sectors.

Frank was instrumental in the sale of DX Communications alongside Andrew Walwyn to what is now Telefonica.

Frank joined Bigblu Broadband in the autumn of 2013 and, as Chief Financial Officer, is responsible for finance, commercial, legal, regulatory, and M&A matters.

Simon Clifton: Chief Technology Officer

Date of appointment:

Simon joined the Board in September 2016 following the fundraise and acquisitions in summer 2016.

Committee memberships: None

Independence:
Executive – non-independent

External appointments: None

Simon co-founded the business with Andrew Walwyn in 2008 and has a background in mobile telecoms and alternative broadband technologies.

Since 2003 Simon has been at the forefront of the development of satellite broadband as a technology for both the consumer and business markets in Europe, and foresaw the disruptive opportunity for the company presented by the arrival of Ka band satellite communications in 2010.

Simon is responsible for leveraging the satellite owners' investment in capacity and for the company harnessing the growing and abundant commodity market in Ka band spectrum, and then delivering it as a consumable satellite broadband product that address particular geographical and vertical market opportunities globally.

Simon also has responsibility for integrating complimentary technologies like fixed wireless broadband into the business portfolio, as well as R&D and supplementary product development like VOIP and TV services. Simon has served as the CTO of the Group since its inception and has previously been involved with several successful, fast growing entrepreneurial companies.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the directors to prepare Group and Company Financial Statements for each financial year. Under that law the directors are required to prepare Group Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. The Directors have chosen to prepare the Group financial statements in accordance with IFRS as adopted by the EU.

The Group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position, financial performance and cash flows of the Group for that year.

In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the group had complied with IFRS, 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 group and the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

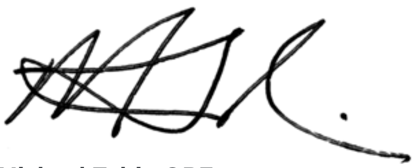
Andrew Walwyn
Chief Executive Officer
25 March 2019

Corporate Governance Statement

Dear Shareholder,

At Bigblu Broadband plc all our stakeholders are important to us. The design and operation of a robust governance structure appropriate for a Group of our scale and ambition is critical to meeting their needs. Our approach to governance is based on the concept that good corporate governance enhances long-term shareholder value and sets the culture, ethics and values for the rest of the Group.

The Board has ultimate responsibility for reviewing and approving the Annual Report and Accounts and it has considered and endorsed the arrangements for their preparation. The Directors confirm the Annual Report and Accounts, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.



Michael Tobin OBE
25 March 2019

Quoted Companies Alliance Code for Small & Mid-sized Quoted Companies 2018

The board of Bigblu Broadband Group plc (the "Company") is responsible for the Group's corporate governance policies and recognises the importance of high standards of corporate governance and integrity. The Company has adopted the Quoted Companies Alliance Code for Small & Mid-sized Quoted Companies 2018 (the "QCA Code") in September 2018. This statement sets out how the Company complies with the 10 principles of the QCA Code.

1. Strategy & business model

The Company is an alternative broadband provider who markets and delivers fast broadband services to homes and businesses mainly located in areas of poor or underserved telecoms infrastructure. The Company's target customers are homes and businesses who are not served by fibre broadband. The Company is technology agnostic and uses a variety of technologies to deliver a super-fast broadband service to target customers including satellite broadband, 4G, 5G and licensed and unlicensed spectrum fixed wireless broadband (point to point and point to multi-point).

The Company is active and has customers in 30 countries including many countries in Europe and Australia and had approximately 123,000 customers as at 31st May 2018. The Company operates from a number of strategic bases in the UK, France, Norway, Spain Germany, Italy, Poland, Portugal and Australia. The Company has grown strongly since listing on AIM in May 2015 both organically and by acquisition. The Company has acquired and integrated 20 businesses in 7 countries in the last 3 years.

The Company has a cloud-based global billing and customers service (ERP) platform enabling it to support customers around the world in any language the customer chooses, with the system supporting multiple currencies and VAT jurisdictions. The Company also has one phone system across all territories enabling flexibility in delivering customer support. The Company uses satellite capacity from a number of different satellite owners to enable it to provide satellite broadband services and these include but are not limited to Eutelsat, SES Astra, Viasat, Avanti, and NBNCo. The Company makes its decisions on which satellite operator to use in each country based on a mixture of quality of their services, their product roadmap, business model and resultant price structure, and the amount of capacity available.

Satellite design and processing efficiency continue to progress at a pace resulting in continually improving satellite economics with each new satellite launch allowing the Company to continue to improve its broadband offerings and keep pace with the growth in internet demand. Since the Company's inception in 2008, headline consumer satellite broadband speeds in Europe have increased from 4 Mbps to 50 Mbps and the Company, working with its satellite owner partners, believes that speeds and data allowances will continue to increase exponentially over the next 3 – 5 years.

The Company could face challenges if consumer demand for faster broadband services and continual increases in data consumption were not matched by exponential improvements in satellite economics by the satellite fleet operators. The wide number of satellite operators coming to the market with new business models and technologies mean that the Company perceives this risk as relatively small.

The Company embraces new technologies like 4G and 5G and indeed is itself helping to develop and design new hardware to bring technologies like fixed broadband via 5G to the mainstream market. Many of the Company's existing fixed wireless customers are already being connected to fixed 5G type services.

The Directors believe there is a significant opportunity to continue to grow the Company's subscriber base organically and also through acquisition by consolidating the currently fragmented market of alternative broadband providers across Europe and Australia.

2. Understanding and meeting shareholder needs and expectations

The AGM is the main forum for dialogue with shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. The chairs of the Board and all committees, together with all other Directors, routinely attend the AGM and are available to answer questions raised by shareholders.

Feedback from investors is also obtained through direct interaction between the CEO, CFO and CTO at meetings following the publication of its full-year and half-year results. The Company also holds an open retail investor meeting shortly after results have been published.

The voting record at the Company's general meetings is monitored and we are pleased that all resolutions have been passed by shareholders. There is also regular dialogue with investors through the medium of the Company's corporate broker, Numis Securities, and through the Company's Investor Relations and Financial PR agency Walbrook PR.

The Company has a dedicated investor relations website at www.bbb-plc.com which aims to keep all types of investor fully informed and up to date on the Company's activities, share price and future meetings as well as supplying documents and information which may be of general interest.

Details of specific contacts at Numis and Walbrook PR are published on all the Company's RNS releases and on the Company's investor website.

3. Taking into account wider stakeholder & social responsibilities and their implications for long-term success

The long-term success of a business and good Corporate Governance includes the Board considering the Company's impact on the communities it operates in, the environment and society as a whole. The group's stakeholders include shareholders, customers, members of staff, suppliers, regulators, industry bodies and creditors including lenders. The board works hard to identify the Company's stakeholders and understand their needs, interests and expectations.

The principal ways in which their feedback on the group is gathered are via meetings, conversations, surveys and online reviews. Following this feedback, the group has continued and evolved its clearly defined customer-focused and people-led strategy.

Every company should consider its corporate social responsibilities (CSR). Any CSR policy should include a narrative on social and environmental issues and should show how these are integrated into the Company's strategy. Integrating CSR into strategy will help create long-term value and reduce risk to shareholders and other stakeholders. The Company see CSR as a very important area for consideration and are currently in the process of finalising a CSR Policy.

The Directors are aware of the impact the business activities have on the communities in which it operates and has in place an environmental policy. The Group's responsibilities to stakeholders including staff, suppliers and customers and wider society are also recognised and this is evidenced and underpinned by our values:

- Customers – Grow profitable elements of the business whilst putting the customer first
- Innovation – Industry leading product design always exceeding customers expectations
- Quality – Excellence in operations, processes and systems
- Environment – Engaging with and supporting the communities in which we work
- Team Work – Support and engage with our people

4. Embedding effective risk management

The board of the Company ensures that its risk management framework identifies and addresses all the relevant risks and threats that the business may be subject to in the execution of its business plan. These include extended business activities including key customers and its supply chain. The section "Principal Risks and Uncertainties" on pages 16 to 18 of this Annual Report identifies these risks and how the board and the business mitigate these risks. The board of the Company meets regularly during the year and continually reappraises and discusses the tactics and strategy employed to mitigate these risks.

5. Maintaining a balanced and well-functioning board

The Board and its committees

The Board is responsible for the effective oversight of the Group. It also agrees the strategic direction and governance structure that will help achieve the long-term success of the Group and deliver shareholder value. The Board takes the lead in areas such as strategy, financial policy and making sure a sound system of internal control is maintained. The Board's full responsibilities are set out in the schedule of matters reserved for the Board described below. The Board delegates authority to its Committees to carry out certain tasks on its behalf, so that it can operate efficiently and give the right level of attention and consideration to relevant matters.

Role of the Board and management

Role of Chairman and Chief Executive Officer

There is a clear division of responsibilities between the running of the Board and the executive responsible for the Group's business.

The Chairman is responsible for leadership of the Board, ensuring its effectiveness and setting the agenda for Board meetings. Once strategic objectives have been agreed by the Board, it is the Chief Executive Officer's responsibility to ensure they are delivered upon and consistently to be accountable to the Board. The day to day operations of the Group are managed by the Chief Executive Officer and his management team.

Board processes

The full Group Board met nine times in the financial year under report and is scheduled to meet eight times in the current financial year and at any other time as may be necessary to address any specific significant matters that may arise.

The agenda for Board meetings is prepared in conjunction with the Chairman. Submissions are circulated in advance and for regular Board meetings will include operational and financial updates together with papers relating to specific agenda items.

Management prepare monthly finance reports which allow the Board to assess the Group's activities and review its performance. Members of management are regularly involved in Board discussions and Directors have other opportunities for contact with a wider group of employees.

To assist in the execution of its responsibilities, the Board has established an Audit Committee and a Remuneration Committee as well as a Nominations Committee and a framework for the management of the consolidated Group including a system of internal control.

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. This includes financial, operational and compliance controls and risk-management systems. The Board has reviewed the effectiveness of the system of internal control during the year in conjunction with the External Auditors. Internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Role and Responsibilities of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall management and corporate governance of the consolidated Group including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

From time to time the Board may delegate or entrust to any Director holding executive office (including the CEO) such of its powers, authorities and discretions for such time and on such terms as it thinks fit. During 2018, the Board reviewed and updated the "Delegation of Board authority" which establishes those matters which it is considered appropriate remain within the overall control of the Board (or its committees) and those which are delegated to the CEO (or onwards as appropriate). In addition to overall Group strategy, the Board approves the annual budget and retains control over corporate activity (mergers, acquisitions, partnerships, material disposals and investments) and material contract and financing decisions (over and above set value/credit-risk limits).

Management's role is to implement the strategic plan established by the Board and to work within the corporate governance and internal control parameters established by the Board.

The Board has approved a schedule of matters reserved for its decision; specifically, the Board is responsible for:

- Guiding the Group's long-term strategic aims, leading to its approval of the Group's strategy and its budgetary and business plans
- Approval of significant investments and capital expenditure
- Approval of annual and half-year results
- Ensuring maintenance of a sound system of internal control and risk management (taking into consideration recommendations of the Audit Committee)
- Ensuring adequate succession planning for the Board and Executive management (taking into consideration the recommendations of the Nomination Committee)
- Determining the remuneration policy for the Directors and the senior management team (taking into consideration the recommendations of the Remuneration Committee)

Board focus during the year

- **Strategy:** During FY18, the Board worked with management to identify and anticipate industry trends to ensure that the Group's strategy is designed to address these trends as well as other industry dynamics, such as the competitive landscape. The Board also considered various fundraises and approved a number of acquisition opportunities to advance the Group's strategy including the acquisition of Opensky and Sat Internet. In addition, the Board considered the disposal of the Fibre Business in Australia as this was considered Non-Core During FY17, the Board approved two acquisitions. The Board also reviewed relationships with the Groups main partners and suppliers including the HRA with EBR.
- **Financials:** During FY18, the Board reviewed the Group's operating results and financial statements with management and the Group's external auditors. The Board also reviewed and approved the Budget and operating plan for the financial year.
- **Fundraising:** During FY18, the Board worked with management to identify and source appropriate funding options to pursue the roll up strategy. The Board were delighted with the support from HSBC, BGF and Harwood Capital as well as new and existing shareholders throughout the summer of 2018.
- **Governance:** As noted above, the Board continued to review its governance structure in FY18. As a result of this review, the Board considered and noted its compliance with the requirements applicable to a publicly listed Group, including the Code. In addition, the control environment was improved with the recruitment of additional Operational HR and systems resources.
- **Business performance:** In FY18, the Board received and reviewed reports from management on the performance of the Group's business. The Board engaged in discussions with management on various aspects of business performance, Key Performance Indicators, including business drivers, industry trends, risks, opportunities and the competitive landscape.

Board committees

Prior to listing in May 2015, the Board established the Audit and Risk Committee (now chaired by Stephen Morana) to oversee financial reporting, internal control and the management of the risks the Group faces. The Board also established a Nomination Committee (chaired by Michael Tobin OBE) to lead the process for appointments to the Board and a Remuneration Committee (chaired by Michael Tobin OBE) which has the responsibility of helping to develop and manage the Group's Remuneration Policy.

The various committee reports can be found on pages 32 to 40 and each committee's full terms of reference are available on our website.

Table of Attendance

The table below summarises the attendance of the Directors and committee members at the scheduled Board and committee meetings held during the year:

	Board		Audit and Risk Committee		Remuneration Committee		Nomination Committee***	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Michael Tobin OBE*	9	9	3	2	5	5	1	1
Andrew Walwyn	9	9	-	-	-	-	1	1
Frank Waters	9	9	-	-	-	-	-	-
Simon Clifton	9	9	-	-	-	-	-	-
Paul Howard	9	9	3	3	5	5	-	-
Stephen Morana**	9	8	3	3	-	-	1	1
Christopher Mills	6	4	-	-	-	-	-	-

The figures in the "held" column represent the number of meetings a Director was eligible to attend as a Director and the "attended" column represents the number of meetings attended by that Director.

* Michael Tobin OBE is Chairman of the Board and Chairman of the Nomination and Remuneration Committees.

** Stephen Morana is Chairman of the Audit and Risk Committee.

***There was 1 Nomination Committee meeting held during the year.

6. Having appropriate experience, skills and capabilities on the board

Board Composition, Qualification and Experience

The Board currently comprises seven (2017 six) Directors. The number and/or composition may be changed where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified. During 2018 the Board was strengthened with the appointment of Mr Christopher Mills who brings extensive experience.

The composition, experience and balance of skills on the Board are periodically reviewed to ensure that there is the right mix on the Board and its Committees and they are working effectively. The Board comprises a Non-Executive Chairman (who, for the purposes of the QCA Code was independent on appointment), three Non-Executive Directors, two of whom are considered by the Board to be independent for the purpose of the QCA Code. There are three Executive Directors who are considered by the Board to be non-independent for the purpose of the QCA Code.

The current members of the Board have a wide range of skills and experience. The Board believes that a membership that combines detailed knowledge of the Group's operations, the technology industry and leading a Group listed on the London Stock Exchange are crucial to the Board's ability to lead the Group successfully.

The composition of the Board is determined using the following principles:

- a majority of the Board should be non-executive Directors. Currently there are 4 non-executive Directors and from 3 executive Directors. BGF have the right to appoint a further non-executive Director which has not been exercised as yet. BGF do have an Observer at Board meetings for certain matters.
- the role of Chairman is to be filled by a non-executive Director,
- the Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities,
- Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter one third of Directors are subject to retire by rotation each year.

The Group Secretarial service is provided by a professional services company in order to conform to requirements.

Key Board Roles

Chairman	Chief Executive Officer	Non-Executive Directors
Leads the board	Leads the management team	
Promotes highest standard of corporate governance	Supports the Chairman to ensure appropriate governance standards spread through the Group	Acts as intermediary between Directors when required
Challenges strategic matters	Raises strategic initiatives aimed at improving shareholder returns in line with the strategic direction of the Group	Challenges strategic initiatives presented by Executive Directors as well as assists in the development concept of Group Strategies
Promotes a culture of openness and debate	Oversees implementation of all Board-approved actions	Available to shareholders to address any concerns or issues that they feel have not adequately been addressed through usual channels of communication.
Encourages constructive relations between Executive and Non-Executive Directors	Ensures that the Board is made aware of the employees' views on relevant issues	Integral role in succession planning
Facilitates effective contributions by the Non-Executive Directors	Develops proposals for the Board to consider in conjunction with fellow Executive Directors	

Non-Executive Director Independence

The Board considers and reviews the independence of Non-Executive Directors on an annual basis as part of the Directors' performance evaluation. In carrying out the review, consideration is given to factors such as their character, judgement, commitment and performance on the Board and relevant committees and their ability to provide objective challenge to management.

The Board considers its Independent Non-Executive Directors bring strong judgement and considerable knowledge and experience to the Board's deliberations.

As noted in the Annual Report on Remuneration on page 50, Michael Tobin OBE, Paul Howard and Stephen Morana all participate in the Company's share option plan. Notwithstanding this, in character and judgement, this is evidenced by the valuable contributions they make at Board and Committee meetings, and in particular, the knowledge and experience they bring to the roles as Chairman, Non-Executive Directors and Committee members. In addition, whilst Christopher Mills is considered Non-Independent Christopher provides enormous contribution guidance and support to the business and is considered to be independent in character and judgement.

Appointment and Tenure

All Non-Executive Directors serve on the basis of letters of appointment which are available for inspection upon request. The letters of appointment set out the expected time commitment of Non-Executive Directors who, on appointment, undertake that they will have sufficient time to meet what is expected of them. Non-Executive Directors are appointed for an initial three-year term and the continuation of their appointment is conditional on satisfactory performance and subject to annual re-election at the Company's Annual General Meetings.

Executive Directors serve on the basis of service agreements which are also available for inspection upon request. Further details on the Executive Directors' service agreements are included in the Annual Report on Remuneration, on page 36.

Director Training

The Chairman is responsible for the induction of new Directors and ongoing development of all Directors. The Board received tailored training as appropriate for service on a listed Company Board. New Directors receive a full, formal and tailored induction on joining the Board designed to provide an understanding of the Group's business, governance and key stakeholders. The induction process typically includes an induction pack, operational site visits, meetings with key individuals and the Group's advisors, and briefings on key business, legal and regulatory issues facing the Group.

As the business environment changes, it is important to ensure the Directors' skills and knowledge are refreshed and updated regularly. Accordingly, the Nomad ensures that updates on corporate governance, regulatory and technical matters are provided to Directors at special sessions in between formal Board meetings. In this way, Directors keep their skills and knowledge relevant so as to enable them to continue to fulfil their duties effectively.

Information and Support Available to Directors

All Board Directors have access to the Company Secretary, who advises them on Board and governance matters. The Chief Executive Officer, Chief Financial Officer and the Company Secretary work together to ensure that Board papers are clear, accurate, delivered in a timely manner to Directors, and of sufficient quality to enable the Board to discharge its duties. As well as the support of the Company Secretary, there is a procedure in place for any Director to take independent professional advice at the Group's expense in the furtherance of their duties, where considered necessary or advisable.

Director Election

Following recommendations from the Nomination Committee, taking into account the results of the Board's performance evaluation process, the Board considers that all Directors continue to be effective, committed to their roles and have sufficient time available to perform their duties. In accordance with the Company's Articles of Association one third of Directors are to retire by rotation excluding those appointed during the year and those re-elected at the Group's AGM in 2018 as set out in the Notice of AGM.

Directors' Conflicts of Interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned is either not present or does not take part in discussions and voting at the meeting whilst the item is considered.

Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of the Company, unless that conflict is first authorised by the Directors. This includes potential conflicts that may arise when a Director takes up a position with another Company. The Company's Articles of Association allow the Board to authorise such potential conflicts, and there is in place a procedure to deal with any actual or potential conflict of interest. The Board deals with each appointment on its individual merit and takes into consideration all the circumstances.

All other appointments have been authorised by the Board and have been included in the conflicts register.

Independent professional advice and access to Company information

Each Director has the right of access to all relevant Group information and to the Group's management and, subject to prior consultation with the Chairman, may seek independent professional advice at the Group's expense. A copy of any advice received by the Director is to be made available to all other members of the Board.

7. Evaluating board performance

Board Evaluation and Effectiveness

The Board and its Committees were formed upon listing in May 2015 and in May 2018 an internal evaluation commenced as a result of the Group's continued growth in size and complexity resulting in the appointment Christopher Mills in May 2018carried out a Board Effectiveness Review during the year. The results were analysed and a report was presented to the Board. Following discussions at a subsequent Board meeting, a number of proposed recommendations were made and the Board agreed to take them forward for implementation.

8. Ethical values & behaviours

The Company operates a corporate culture that is based on ethical values and behavior's. The Executive Directors (comprising Andrew Walwyn, Frank Waters and Simon Clifton) communicate regularly with staff through meetings and messages to ensure best-in-class ethical standards and to provide clear guidance on how the members of staff are expected to behave towards their colleagues, suppliers, customers, shareholders and on their wider responsibilities to the communities within which they operate

9. Maintaining governance structures and processes

The Chairman is responsible for leadership of the Board, ensuring its effectiveness and setting the agenda for Board meetings. Once strategic objectives have been agreed by the Board, it is the Chief Executive Officer's responsibility to ensure they are delivered upon. The day to day operations of the Group are managed by the Chief Executive Officer and the wider management team comprising the Chief Financial Officer and the Chief Technical Officer.

The division of responsibilities between the Chairman, Chief Executive Officer and Non-Executive Directors is set out in writing in their contracts and agreed by the Board. The roles of the Chairman and the Chief Executive Officer are separate with a distinct division of responsibilities. The partnership between Michael Tobin OBE and Andrew Walwyn is based on mutual trust and facilitated by regular dialogue between the two. The separation of authority enhances independent oversight of the executive management by the Board and helps to ensure that no one individual on the Board has unfettered authority.

For the roles and responsibilities of the board please see section 6 on page 28.

10. Communicating with shareholders and other relevant stakeholders

Shareholder engagement

Responsibility for shareholder relations rests with Andrew Walwyn, the Group's Chief Executive Officer. He ensures that there is effective communication with shareholders and is responsible for ensuring that the Board understands the views of shareholders. Andrew is supported by the Group's corporate brokers with whom he is in regular dialogue. As a part of a comprehensive investor relations programme, formal meetings with investors are scheduled to discuss the Group's interim and final results. In the intervening periods, the Group continues its dialogue with the investor community by meeting key investor representatives and holding investor roadshows as appropriate.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will take place at the offices of Harwood Capital LLP, 6 Stratton Street, London W1J 8LD. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM. The notice of the AGM can be found on our website and in a notice, which is being mailed out at the same time as this Report. The Notice of AGM sets out the business of the meeting and an explanatory note on all proposed resolutions. Separate resolutions are proposed in respect of each substantive issue. The AGM is the Company's principal forum for communication with private shareholders.

Risk management and internal controls

The Audit Committee report explains the process carried out for the assessment of the effectiveness of the Group's risk management and internal control systems on page 33.

Independent auditor and audit information

Each person who is a Director at the date of approval of this report confirms that, so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

haysmacintyre have expressed their willingness to continue as the Group's auditor. As outlined in the Audit and Risk Committee report on page 47, resolutions proposing their reappointment and to authorise the Audit and Risk Committee to determine their remuneration will be proposed at the next AGM.

On behalf of the Board

Ben Harber
Company Secretary
25 March 2019

Nomination Committee Report

The role of the Nomination Committee is documented in its terms of reference which were reviewed and adopted by the Board of Directors in May 2016. The Nomination Committee is chaired by Michael Tobin OBE, and its other member is Stephen Morana who is also a Non-Executive Director.

Role and responsibilities

The Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any Committees of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or Committee members as the need may arise. The Committee is responsible for evaluating the balance of skills, knowledge and experience as well as the size, structure and composition of the Board and Committees of the Board, retirements and appointments of additional and replacement Directors and Committee members and makes appropriate recommendations to the Board on such matters. A copy of the Committee terms of reference is available on the Company's website.

Meetings during the year

The Committee met once in the financial year and at that meeting the Committee to review the composition of the Board and its Committees.

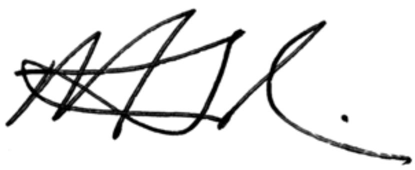
Process for Board appointments

When the Company decides to appoint a Non-Executive Director:

- The Committee Chairman, or search consultants where engaged, will submit a short-list of candidates to members of the Committee and the Chief Executive Officer for them to review and enable them to suggest other candidates.
- The Committee Chairman, one other Committee member and the Chief Executive Officer will then meet short-listed candidates selected by the Committee. In addition, potential candidates will be given the opportunity to meet with Executive Directors as appropriate. If the Chairman wishes to proceed with the selection process, the candidate will then be invited to meet all members of the Committee.
- After meeting the candidate, the Committee will decide whether to recommend the candidate to the Board for appointment.
- Where an exceptional candidate is identified the process may be shortened by Committee decision.

When the Company decides to appoint an Executive Director:

- The Committee Chairman and the Chief Executive Officer or, where engaged, search consultants, will submit a short-list of one or more candidates to the Committee following meetings with Executive management.
- Some or all of the Committee members will then meet the candidates selected for interview.
- The Committee's assessments will be reviewed with the Chairman of the Board and the Chief Executive Officer, following which a candidate may be recommended to the Board for appointment.



Michael Tobin OBE
Nomination Committee Chairman
25 March 2019

Audit Committee Report

The role of the Audit Committee is documented in its terms of reference which were reviewed and adopted by the Board in May 2015. The annual report on the role and activities of the Audit Committee are as follows:

Membership of the Committee

The Committee was chaired by Stephen Morana with Michael Tobin OBE and Paul Howard being the other members of the Committee. All members and the Chair are Independent Non-Executive Directors. All of the members of the Committee have extensive experience of the technology industry as well as financial procedures and controls. During the year ended 30 November 2018, the Committee met three times. The table on page 38 summarises the attendance of members at committee meetings:

Only members of the Committee have the right to attend meetings, though the Committee may invite others to attend if it is considered appropriate or necessary. The external auditors are invited to attend meetings of the Committee on a regular basis as is the Chief Financial Officer where appropriate. The external auditors, the Chairman, the Chief Executive Officer, the Chief Financial Officer and members of the l finance function may be invited to Audit Committee meetings at the discretion of the Committee. The Committee plans to meet at least twice during the year.

Roles and activities

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities for financial reporting, corporate control and risk management. The Committee is responsible for monitoring the integrity of the Group's financial statements, including its annual and half-yearly reports, interim management statements, preliminary result announcements and any other formal announcements relating to its financial performance prior to release. The Committee oversees the relationship between the Group and its external auditors and makes recommendations to the Board on their appointment. In addition, the Committee monitors and reviews the external auditor's independence and objectivity and the effectiveness of the audit process, taking into account relevant legal, professional and regulatory requirements.

The terms of reference of the Committee also includes the following responsibilities:

- to increase shareholder confidence and to ensure the credibility and objectivity of published financial information;
- to assist the Board in meeting its financial reporting responsibilities;
- to assist the Board in ensuring the effectiveness of the Group's accounting and financial controls;
- to strengthen the independent position of the Group's external auditors by providing channels of communication between them and the Non-Executive Directors;
- to review the performance of the Group's external auditing functions;
- to review and challenge significant accounting and treasury policies, the clarity and completeness of disclosures in financial reports and significant estimates and judgements;
- to review the findings of the audit with the external auditors;
- where requested by the Board, to review the content of the annual report and accounts and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- to monitor and keep under review the adequacy and effectiveness of the Group's financial controls and risk management systems, including a review of the Group's risk management framework; and monitoring and reviewing the appropriateness of timing of creation of a Group internal audit function together with an annual internal audit plan; and
- to review the Group's policies and procedures for preventing and detecting fraud, its systems and controls for preventing bribery, its Code of Conduct and its policies for ensuring that the Group complies with relevant regulatory and legal requirements. The full terms of reference of the Committee can be found on the Group's website.

During the year-ended 30 November 2018 the Committee:

- reviewed and approved the year-end and interim results and accounts;
- discussed with the external auditors and reviewed and approved the annual audit plan and receive their findings and reports of the annual audit and interim review; and
- received, reviewed and challenged the half-year and year-end accounting papers prepared by management covering significant accounting policies, significant transactions, judgemental areas, estimates, disclosures and going concern.

Significant issues

The issues considered by the Committee that are deemed to be significant to the Group are set out below.

Revenue recognition

The Group principally generates revenue from sales of airtime, data, hardware and installation in connection with supplying Broadband services and network recharges. There is a risk therefore that revenue is inappropriately recognised if revenue is incorrectly apportioned to a product or service.

A detailed revenue recognition policy is in place and includes processes and procedures for recognition dependent upon the individual nature of the goods or services sold. The Group's external auditors have reported to the Committee that they have reviewed the revenue recognition policy and processes as well as performing detailed testing of revenue recognition across the year and found revenue to be appropriately accounted for.

As a result of the above and after providing appropriate challenge the Committee has concluded that the revenue recognition for the Group is appropriate.

Goodwill and intangibles carrying value

At 30 November 2018, the Group had on its balance sheet goodwill of £29.0m (2017: £21.0m) and other intangibles of £7.1m (2017: £9.2m) that has primarily arisen as a consequence of acquisitions. Management perform impairment reviews annually, or more frequently if there is an indication of impairment, based on the Group's hubs. The cash flow forecasts used for each hub are based on the latest Board approved budgets.

Management prepare an accounting paper for review by the Committee that details the methodology applied, key assumptions used and the impact of sensitivity analysis. This includes a discounted cashflow, taking into consideration the Group debt value, equity value, the cost of debt and cost of equity, and a growth rate of 2% pa.

Having considered the impairment reviews performed, the Committee is satisfied that the carrying value of goodwill and intangibles at 30 November 2018 is appropriate.

Internal controls and risk environment

Whilst the Board is ultimately responsible for the establishment, monitoring and review of effectiveness of control systems throughout the Group, each of the individual Company leaders drive the process through which risks and uncertainties are identified. The Board recognises that rigorous internal control systems are critical to managing the risks in achieving its strategic objectives. The Board further acknowledges that these systems are designed to manage rather than eliminate risk in the Group.

The normal process for identifying, evaluating and managing significant risks faced by the Group would be overseen by a Risk and Compliance Committee, in association with work performed by an internal audit function. Currently, this has not been required and instead the Group operations team have taken a lead role in looking at controls in the various jurisdictions. It is the Board's intention and desire, following the latest acquisitions that within a year a Risk and Compliance Committee will be established and will design a risk framework in order to capture and evaluate control weaknesses and risks facing the business. In the meantime, where the Board defines an identified risk as significant, procedures exist to ensure that necessary action is taken to rectify or mitigate as appropriate. The aforementioned functions will provide additional assurance to an established Audit and Risk Committee who will have ultimate responsibility for the oversight and review of the adequacy and effectiveness of the Group's systems of internal controls. In addition, the Committee in the absence of an established Audit and Risk Committee from time to time engage with External consultants to review aspects of the business as appropriate. Such findings are / will be discussed at the Audit Committee.

The external auditors provide a supplementary, independent and autonomous perspective on those areas of the internal control system which they assess in the course of their work. Their findings are regularly reported to the Audit Committee and the Board.

Key elements of the control environment are:

- annual budgets and strategic plans prepared for all business units;
- monitoring of performance against budget and forecast with reporting to the Board on a regular basis;
- monthly review of detailed key performance indicators;
- all contracts are reviewed at a level of detail appropriate to the size and complexity of the contract;
- timely reconciliations are performed for all significant balance sheet accounts;
- clearly defined organisational structure and authorisation lines;
- an operations team reviews key business processes, controls and their effectiveness, as well as identifying, assessing and managing significant control issues; and
- the Audit Committee, which assesses the overall appropriateness of the Group's internal control environment.

The preparation and issue of financial reports is managed by the Group Finance Team, as delegated by the Board. The Group's financial reporting process is controlled using the Group accounting policies and reporting systems. The Group Finance Team supports all reporting entities with guidance on the preparation of financial information. This is especially important for new acquisitions. In the current year, this process was supported by the group operations team. Each legal entity has a Finance Director or Controller allocated who has responsibility and accountability for providing information which is in accordance with agreed policies and procedures. The financial information for each entity is subject to a review at reporting entity and Group level by the Group Finance Director and also the Chief Financial Officer. The Annual Report is reviewed by the Audit Committee in advance of presentation to the Board for approval.

The Directors, through the use of appropriate procedures, systems and the employment of competent personnel, have ensured that measures are in place to secure compliance with the Group's obligation to keep adequate accounting records. The accounting records are kept at the registered office of the Group or relevant statutory entity office.

How we manage risk

To enhance effective governance and risk management oversight in the future, it is intended that the Group will, as appropriate, establish an additional layer of risk management in the Audit Committee with the appointment of an Internal Auditor given the wide spread of hubs. This function is authorised by the Board to provide an additional level of assurance to the Audit Committee in overseeing risk management and internal control activities.

It will also provide the business with a framework for risk management, upward reporting of significant risks and policies and procedures.

On a half yearly basis, the Audit Committee will review the status on risk exposures and risk management throughout the business within a pre-agreed risk management framework. The risk management framework will be designed to identify, evaluate, analyse and mitigate or manage risks appropriate to the achievement of the business strategy.

The Group will adopt a two-pronged approach to identifying risks:

1) a bottom-up approach at the business function level; where risks are managed at the operational level with an appropriately defined escalation process in place for those risks rated as high; and
2) a top-down approach at the Executive level; where the principal risks and uncertainties are identified and managed.

A series of risk identification approaches will be used including adding risk discussions into team meetings.

All identified risks will be assessed against a pre-defined scoring matrix and prioritised accordingly. Any risks identified in the bottom-up approach deemed to be rated as higher risk are escalated in line with pre-defined escalation procedures for further evaluation. The Group's risk appetite is considered by the Board and evaluated to ensure appropriateness of risk management and mitigation.

Whistle-blowing and anti-bribery

Whistleblowing and Anti Bribery policies are in place in the Group enabling employees to confidentially report matters of concern directly to Non-Executive Directors, and that all Executives are reminded of their responsibility in relation to Anti Bribery Legislation. This is also a regular topic on the Board Meeting agendas.

External Auditor

The Audit Committee reviews and makes recommendations with regard to the appointment and reappointment of the external auditors. In making these recommendations, consideration is given to auditor effectiveness and independence, partner rotation and any other factors that may impact the reappointment of the external auditors. There are no contractual restrictions on the choice of external auditors.

The Audit Committee is confident that the effectiveness and independence of the external auditors is not impaired in any way. The Committee will continue to assess the effectiveness and independence of the external auditors. In doing so, they will consider a formal tender process in accordance with the provisions of the UK Corporate Governance Code.

The external auditors may perform certain non-audit services for the Group, any such non-audit services require pre-approval by the Audit Committee and are only permitted to the extent allowed by relevant laws and regulations.

During the year-ended 30 November 2018, the non-audit services provided by haysmacintyre primarily related to tax compliance activities, a review of the half year reporting and a review of transfer pricing arrangements. Full details of auditor's remuneration is shown in note 4 to the Financial Statements.

Review of effectiveness of External Auditors

An important role of the Committee is to assess the effectiveness of the external audit process. In performing this assessment, the Committee:

- reviewed the annual audit plan and considered the auditors performance against that plan along with any variations to it;
- met with the audit engagement partner to review the audit findings and responses received to questions raised by the Committee;
- held regular meetings with the audit engagement partner, including with the absence of executive management;
- considered their length of tenure;
- reviewed the nature and magnitude of non-audit services provided; and
- reviewed the external Auditors own independence confirmation presented to the Committee.

Based on the assessment performed, the Committee has recommended to the Board that a resolution to reappoint haysmacintyre be proposed at the next Annual General Meeting.

Stephen Morana
Chairman of the Audit Committee
25 March 2019

Annual statement of the remuneration committee chairman

As Chairman of Bigblu Broadband Remuneration Committee, I am pleased to present the Board of Directors' Remuneration Report for the year ended 30 November 2018, which has been prepared by the Committee and approved by the Board. In line with the UK reporting regulations, this report is divided into three sections:

- The Annual Statement by the Remuneration Committee Chairman;
- The Directors' Remuneration Policy, which details the Group's remuneration policies and their link to Group strategy, as well as projected pay outcomes under various performance scenarios; and
- The Annual Report on Remuneration, which focuses on our remuneration arrangements and incentive outcomes for the year under review and how the Committee intends to implement the Remuneration Policy in FY19

The role of the Remuneration Committee is documented in its Terms of Reference which were reviewed and adopted by the Board of Directors in May 2016. The objectives of the Remuneration Committee are to ensure that the Group's Directors and senior executives are fairly rewarded for their individual contributions to the Group's overall performance by determining their pay and other remuneration and to demonstrate to all shareholders that the general policy relating to, and actual remuneration of individual senior executives of the Group, is set by a committee of the Board members who have no personal interest in the outcome of the decisions and who will give due regard to the interests of the shareholders and to the financial and commercial health of the Group.

The Remuneration Committee intends that its policy and practice should align with and support the implementation of the Group's strategy and effective risk management for the long term. The policy is intended to motivate the right behaviours and to ensure that any risk created by the remuneration structure is acceptable to the Committee and within the risk appetite of the Board and its strategy.

The remuneration package for executive Directors comprises a combination of annual salary, annual performance bonus and share options / Long Term Incentive Plans with performance criteria. Remuneration for non-executive Directors consists of an annual fee plus options. There were additional fees awarded for serving on Board committees and non-executive Directors are not entitled to bonuses.

The members of the Remuneration Committee are Michael Tobin OBE and Paul Howard. The Chief Executive Officer, the Chief Financial Officer or other Non-Executive Director, may be invited to Remuneration Committee meetings at the discretion of the Committee. The Committee plans to meet at least twice during the year.

The agenda for Remuneration Committee meetings is prepared in conjunction with the Chairman of the Committee. Submissions are circulated in advance and may include remuneration benchmark surveys and best practice guidelines together with papers relating to specific agenda items.

Remuneration policy for FY18 and future years

Bigblu Broadband plc was listed on the Alternative Investments Market (AIM) in May 2015. In advance of its listing, the Remuneration Committee reviewed the Group's remuneration structure to ensure it aligns with the forward-looking strategy, is able to motivate and retain the executive team over the next key phase in the Group's development, and to ensure it takes into account market practice and best practice for a listed Group. The remuneration structure for Executive Directors, which applies from the commencement of the new financial year 1 December 2018, is set out in the Remuneration Policy below. As reported previously during the year the Committee introduced a Long-Term Incentive Plan for certain senior executives to ensure their interests are aligned with that of the shareholders.

Our remuneration arrangements reflect that we compete for talent in a competitive market against other telecommunications companies. The Committee has also carefully considered the expectations of our Funders and UK shareholders in formulating our policy and has included claw back provisions in our incentive schemes for Directors and Board Members, to align with developing best practice. The overarching principles of our Remuneration Policy are to provide a competitive package of fixed and variable pay that will enable the Group to ensure it can attract and retain executives with the right skills and experience to drive the long-term success of the Group.

The Committee believes that our remuneration arrangements can achieve these goals through the application of stretching performance targets and strong shareholder alignment through our equity incentives.

Remuneration decisions in FY18

The activities of the Committee and key decisions in FY18 are set out below.

Following an extensive review carried out by external consultants a number of actions were taken

- there was a rebasing of Executive salaries, reflecting the performance of the enlarged Group and their additional global responsibilities.
- The basis and awards under the bonus scheme were updated and linked intrinsically to delivering revenue, EBITDA and Cash targets
- Non-Executive Director salaries were not increased until June 2018 when increases were agreed by Executive Directors reflecting the significant support received during the year. Such sums were reinvested in Shares in the Company
- A Long-term Incentive Plan was introduced in 2018 which aligns Executive Directors with that of the Companies Shareholders following a review by External Consultants and approval from a panel of Shareholders

The Group achieved forecast results in the year-ended 30 November 2018, with revenue of £55.4m (2017: £43.9m) and adjusted EBITDA of £6.8m (2017: £4.7m). As a result, Andrew Walwyn, Frank Waters and Simon Clifton will receive bonuses of 37.5% percent of their respective salaries. Additional uplift bonuses can be earned when performance materially exceeds targets. No such bonuses were awarded during the period.

Long-Term Incentive Plan

Following consultation with External Advisors, the Company's Nominated Advisor and a Panel of Shareholders a LTIP was put in place to further ensure Executives are fully aligned with Shareholder Returns and to remove the subjectivity surrounding Option awards. The basis of the award is in line with best practice and is calculated by reference to two metrics, actual BBB share price performance and relative performance versus a basket of similar companies in the following weightings:

- 50% on how the actual BBB share price performs and
- 50% compared to how BBB performs against a basket of similar Companies

Due to no share scheme running in 2017 an award of 200% of salary was made on launch with a view that this will revert to 100% of salary annually.

During the course of the year the following Executive Directors were granted awards under the LTIP as follows:

Director	Options	Price	Date	Vesting
Andrew Walwyn	421,907	15p	May 2018	May 2020
Frank Waters	338,968	15p	May 2018	May 2020
Simon Clifton	329,953	15p	May 2018	May 2020

Directors' remuneration policy

This section describes the Group's proposed remuneration structure for Directors which, if approved, will apply for up to three years from the date of the Annual General Meeting.

The overarching principles of our remuneration policy are to provide a competitive package of fixed and variable pay that will enable the Group to ensure it has executives with the right skills and experience to drive the success of the Group, and that their remuneration is linked to shareholder interests and the Group's long-term success. Our remuneration philosophy is:

- to promote the long-term success of the Group, with stretching performance targets which are rigorously and consistently applied
- to provide appropriate alignment between the Group's strategic goals, shareholder returns and executive reward
- to have a competitive mix of base salary and short and long-term incentives, with an appropriate proportion of the package determined by stretching targets linked to the Group's performance

Executive Directors' fixed and variable remuneration arrangements have been determined taking into account:

- the role, experience in the role, and performance of the Executive Director
- the location in which the Executive Director is working
- remuneration arrangements at UK listed companies of a similar size and complexity
- remuneration arrangements at UK telecommunications companies of a similar size and complexity, including companies with which the Group competes for talent
- best practice guidelines for UK listed companies set by institutional investor bodies

Future policy table

The key components of Executive Directors' remuneration are as follows:

Fixed Pay

Base salary

Purpose and link to strategy:
To attract and retain talent of the right calibre and with the ability to contribute to strategy, by ensuring base salaries are competitive in the relevant talent market.

Operation: Base salaries are usually reviewed annually, with reference to individual performance, Group performance, market competitiveness, salary increases across the Group and the position holder's experience, competence and criticality to the business.

Any increases are generally effective from 1 December.

Maximum opportunity: Executive Director salary increases will normally be in line with those for the wider executive employee population. However, higher salary increases may be made where there is a change in role or responsibilities.

Performance metrics:
Group performance against market expectations is taken into account when determining appropriate salary levels.

Pension

Purpose and link to strategy:
Provide post-retirement benefits for participants in a cost-efficient and equitable manner.

Operation: Pension contributions are provided by the Group as part of a legislatively compliant Workplace Pension Scheme that requires an overall contribution of 9% of gross base salary to be made by Year 3 of the scheme. This overall percentage contribution will be made up from a combination of contributions from the Executive Directors and the Group, with a choice of funding vehicles through either the Group Plan or by contributions being made to a personal SIPP chosen and set up by the Executive Director.

Maximum opportunity:
The CEO, CFO and CTO will receive a matching contribution of 1 percent (year 1), 3 percent (year 2) and 4.5 percent of salary (in Year 3 of the scheme) under his opt-in to the Group Workplace Pension Scheme. Subject to the applicable maximum contribution (£2,000 FY17).

The Committee does not anticipate pension benefits as being at a cost to the Group that would exceed 10 percent of base salary, notwithstanding future changes to pension legislation.

Performance metrics: None

Benefits

Purpose and link to strategy:
To provide competitive benefits for each role.

Operation: Benefits currently include the provision of private medical and dental insurance, life insurance, permanent health and disability insurance and car allowance.

Reasonable relocation package including annual family visitation allowance, legal fees allowance and health insurance.

Travel and subsistence allowances in line with the Group Expenses Policy and other benefits may be provided based on individual circumstances.

Maximum opportunity: There is no overall maximum value set out for benefits. They are set at a level that is comparable to market practice and appropriate for individual and Group circumstances.

The Committee retains the discretion to amend benefits in exceptional circumstances or in circumstances where factors outside of the Group's control have materially changed (e.g. increases in insurance premiums).

Performance metrics: None

Variable Pay

Annual bonus

Purpose and link to strategy: Performance measures and targets are set prior to or shortly after the start of the relevant financial period.

At the end of the financial period, the Remuneration Committee will determine the extent to which the targets have been achieved.

Awards are typically delivered in cash; however, the Committee has discretion to defer awards in cash or in shares.

The Committee has discretion and the contractual legal vehicle, to reduce or recoup the bonus in the event of serious financial misstatement or misconduct. In extreme cases of misconduct, the Committee may claw back annual bonus payments previously made.

Operation: Performance measures and targets are set prior to or shortly after the start of the relevant financial period.

At the end of the financial period, the Remuneration Committee will determine the extent to which the targets have been achieved.

Awards are typically delivered in cash; however, the Committee has discretion to defer awards in cash or in shares.

The Committee has discretion and the contractual legal vehicle, to reduce or recoup the bonus in the event of serious financial misstatement or misconduct. In extreme cases of misconduct, the Committee may claw back annual bonus payments previously made.

Maximum opportunity: The base bonus opportunity for Executive Directors will be up to 75 percent of base salary.

Up to 75 percent of maximum will vest for target performance. Performance above base performance can result in additional bonuses being paid linked to improved performance - ie paying for themselves.

Performance metrics: The annual bonus will be based on achievement of financial targets (e.g. revenue growth, cash conversion, EBITDA).

The Committee has discretion to adjust the formulaic bonus outcome downwards (or upwards with shareholder consultation) within the limits of the plan, to ensure alignment of pay with the underlying performance of the business.

Non-Executive Directors' Fees

Purpose and link to strategy: To reflect the time commitment in preparing for and attending meetings, the duties and responsibilities of the role and the contribution expected from the Non-Executive Directors.

Operation: Monthly invoiced fee for Chairman.

Monthly invoiced fees for Non-Executive Directors.

Additional fees paid to the Chairmen of Board Committees may be paid if there is a material increase in time commitment required.

Non-Executive Directors do not participate in any bonus incentive schemes, nor do they receive any pension or benefits (other than nominal travel expenses). Non-Executive Directors will participate in the Company's share option schemes.

Maximum opportunity: Any increases to Non-Executive Director fees will be considered as a result of the outcome of a review process and taking into account wider market factors, e.g. inflation. There is no prescribed individual maximum fee.

Further details are set out below.

Performance metrics: None

Notes to the policy table

- Revenue growth, adjusted EBITDA and cash generation are considered to be the best measures of the Group's annual performance given our current size and stage of growth and will continue to determine at least 75% of the achievement criteria for annual bonus awards. The Committee will keep this under review and may select alternative measures as the Group evolves and strategic priorities change.
- Annual bonus targets will be selected prior to, or shortly after, the start of the financial period. Financial targets will be calibrated with reference to the Group's budget for the upcoming financial period and the Group's performance over the prior financial period.
- Differences in remuneration policy operated for other employees
- Other senior and key-role employee remuneration has some of the same components as set out in the policy, being base salary, annual bonus, long-term incentive participation and pension provision. However, there is no provision for Medical insurance, Permanent Health Insurance, Life assurance or Car Allowance for non-Executive employees. Annual bonus and long-term incentive arrangements share a similar structure and pay-out arrangement, although the mix between performance-based and time-based awards, and the maximum award, varies by seniority and role.

In recruiting a new Non-Executive Director, the Committee will use the policy as set out in the table below.

Non-Executive Directors

The appointments of each of the Chairman and the Non-Executive Directors are for a fixed term of 3 years, and subject to one third retirement by rotation and re-election at the AGM. Their letters of appointment set out the terms of their appointment and are available for inspection upon request. They are not eligible to participate in the annual bonus scheme, nor do they receive any additional pension or expenses (other than nominal travel expenses) on top of the fees disclosed below. They do however have eligibility to participate in the Company's Share Schemes. Non-Executive Directors appointment may be terminated at any time upon written notice or in accordance with the articles and receive no compensation on termination.

Non-Executive Director	Role	Appointment date	Re-appointment date	Term of appointment
Michael Tobin	Chairman	September 2015	May 2018	3 years
Paul Howard	Non-Executive Director	September 2015	May 2018	3 years
Stephen Morana	Non-Executive Director	February 2017	-	3 years
Christopher Mills	Non-Executive Director	May 2018	-	3 years

Executive Directors

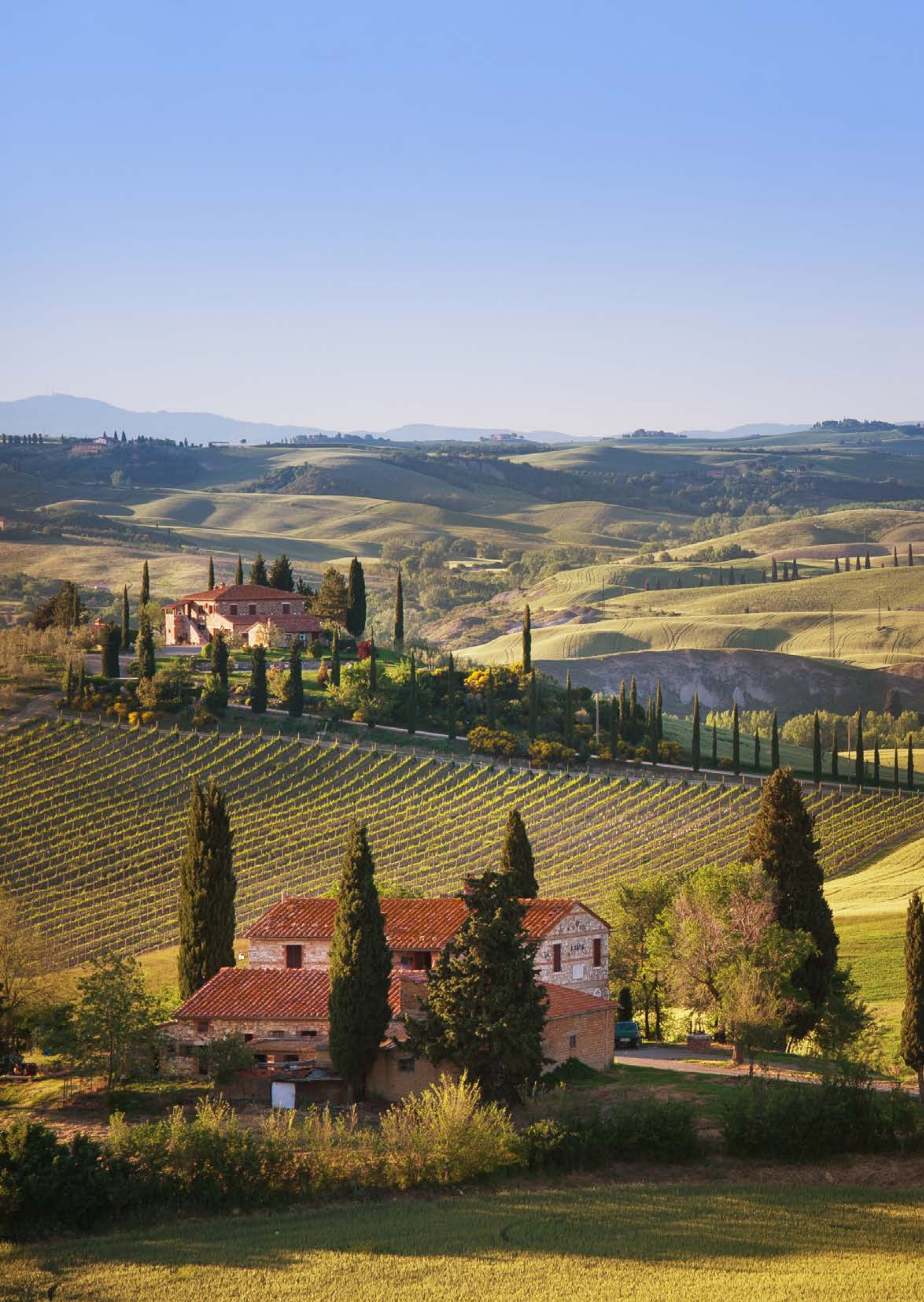
Each of the Executive Directors entered into a service agreement with the Company as follows.

Executive Director	Role	Contract date	Re-appointment date	Notice period
Andrew Walwyn	Chief Executive Officer	May 2015	May 2018	6 months
Frank Waters	Chief Financial Officer	May 2015	May 2018	6 months
Simon Clifton	Chief Technology Officer	September 2016	-	6 months

The Employer is entitled to terminate an Executive Director's employment by payment of a cash sum in lieu of notice, equal to (i) the basic salary that would have been payable, and (ii) the cost that would have been incurred in providing the Executive Director with medical insurance benefits for any unexpired portion of the notice period (the "Payment in Lieu"). The Company can alternatively choose to continue providing the medical insurance benefits under item (ii) instead of paying a cash sum representing their cost. The Payment in Lieu can be paid in one lump sum or alternatively monthly instalments over the notice period. The Company's policy on termination payments is to consider the circumstances on a case-by-case basis, taking into account the executive's contractual terms, the circumstances of termination and any duty to mitigate.

The Committee will continue to monitor market trends and developments over the next year in order to assess ongoing relevance for the Company's remuneration practices. The Committee welcomes feedback from our shareholders as we remain committed to an open and transparent dialogue and hope to receive your support at the forthcoming AGM.
On behalf of the Remuneration Committee.

Michael Tobin
Chairman of the Remuneration Committee
25 March 2019



Independent Auditor's Report

Opinion

We have audited the financial statements of Bigblu Broadband plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

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) we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality, which we used to determine the extent of testing needed, to reduce to an appropriately low level that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a while.

We establish materiality for the financial statements as a whole to be £544,000 which is 1% of group revenue. Key audit risks were identified as impairment of intangibles assets, revenue recognition and going concern.

An overview of the scope of our audit

In arriving at our opinions set out in this report, we highlight the following risks that in our judgement had the greatest effect on the financial statements:

Audit risk	How we responded to the risk
Impairment of intangible assets During the year to 30 November 2018 the group made £11.6m of acquisitions taking the total intangibles to £36.1m split between goodwill (£29.0m), customer contracts (£3.4m) and other intangibles (£3.7m). With the exception of goodwill, intangibles are amortised over two to three years, and goodwill is reviewed annually for impairment by the Group. There is a risk therefore that amortisation is not correctly calculated and that the impairment has not been thoroughly reviewed.	Our audit work included but was not restricted to: • Review of all acquisition agreements during the year ensuring materiality correct calculation of goodwill, contracts and IP values. • Review of forecasts for each subsidiary and customer base to ensure carrying value of intangibles is not impaired. • Review of impairment review to ensure appropriate discount factors have been applied. • Review of amortisation calculations.
Revenue Recognition The group generates revenue from the sale of airtime, data, hardware and installation in connection with the supply or broadband services. There is a risk therefore that revenue is inappropriately recognised or revenue is incorrectly apportioned to a product or service.	Our audit work included but was not restricted to: • Substantive testing on a sample of transactions ensuring inclusion in the correct revenue stream and period.
Going Concern The group is financed by a mixture of current and non-current loans which are subject to covenants and repayment schedules. In the year ended 30 November 2018 the group incurred an operating loss of £13.0m There is a risk that the going concern basis of preparation is inappropriate.	Our audit work included but was not restricted to: • Review of budget and cash flow forecasts • Review of post year end cash activity and management accounts • Review of loan covenants to ensure compliance. • Discussion with management regarding future plans and activities. • Review of covenant compliance, during the year and post year end

Our audit scope included the audit of each of the subsidiaries for the year/period ended 30 November 2018. Our audit work therefore covered 100% of Group revenue, Group loss and total Group assets and liabilities. The subsidiary audits were performed to subsidiary level materiality which was calculated for each subsidiary with reference to their respective turnover and was lower than or equal to Group materiality in each case.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of 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.

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

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

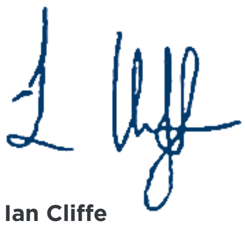
In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend 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.

This report is made solely to the Group'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 Group'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 Group and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Cliffe
(Senior Statutory Auditor)
For and on behalf of haysmacintyre, Statutory Auditors
25 March 2019

10 Queen Street Place
London
EC4R 1AG

Consolidated Statement of Comprehensive Income

	Notes	2018 £'000	2017 £'000
Revenue	2	55,351	43,892
Cost of sales		(32,859)	(28,315)
Gross profit		22,492	15,577
Distribution expenses		(10,931)	(9,284)
Administrative expenses		(24,560)	(14,316)
Operating loss	3	(12,999)	(8,023)
Finance costs	7	(2,167)	(2,057)
Loss before tax		(15,166)	(10,080)
Taxation on operations	8	1,870	2,451
Loss for the financial year		(13,296)	(7,629)
Other comprehensive expense			
Foreign currency translation difference		(394)	(67)
Total comprehensive expense for the year		(13,690)	(7,696)
Loss per share from operations			
Basic and diluted EPS	9	(25.8p)	(19.7p)

In accordance with section 408 of the Companies Act 2006 the parent company has not presented its own Income Statement, which resulted in a loss of £27,828k (2017: loss £4,208k).

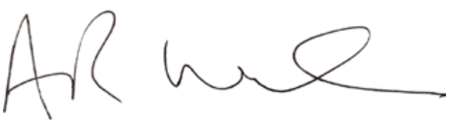
All results relate to continuing operations.

The notes on pages 52 to 64 form an integral part of these financial statements.

Consolidated Statement of Financial Position

Assets	Notes	2018 £'000	As restated 2017 £'000
Non-current assets			
Property, plant and equipment	10	5,517	9,347
Intangible assets	11	36,087	30,194
Investments	12	53	345
Total non-current assets		41,657	39,886
Current assets			
Cash and cash equivalents		5,067	3,452
Inventory	13	1,950	1,476
Trade and other receivables	14	9,893	5,707
Deferred tax asset	17	882	648
Total current assets		17,792	11,283
Total assets		59,449	51,169
Current liabilities			
Trade and other payables	15	(31,313)	(20,731)
Non-current liabilities			
Other payables	16	(409)	(3,586)
Loans	16	(16,979)	(16,228)
Deferred tax liability	17	(657)	(1,292)
		(18,045)	(21,106)
Total liabilities		(49,358)	(41,837)
Net assets		**10,091**	**9,332**
Equity			
Share capital	18	8,506	6,826
Share premium	18	23,900	23,900
Share option reserve	19	1,460	817
Other equity reserve	19	271	271
Foreign exchange translation reserve	19	(2,156)	(2,520)
Reverse acquisition reserve	19	(3,317)	(3,317)
Listing cost reserve	19	(219)	(219)
Merger relief reserve	19	16,233	4,471
Retained losses		(34,587)	(20,897)
Total equity		**10,091**	**9,332**

Approved by the Board on 25 March 2019 and signed on its behalf by:



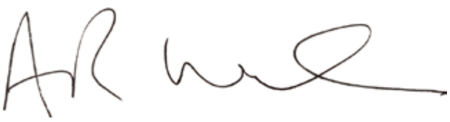
Andrew Walwyn
Chief Executive Officer

The notes on pages 52 to 64 form an integral part of these financial statements.

Company Statement of Financial Position

Assets	**Notes**	**2018 £'000**	**2017 £'000**
Non-current assets			
Investments	12	5,625	5,625
		5,625	5,625
Current assets			
Cash and cash equivalents		915	625
Trade and other receivables	14	26,680	39,394
		27,595	40,019
Total assets		33,220	45,644
Liabilities			
Current liabilities			
Trade and other payables	15	(2,632)	(1,713)
Non-current liabilities			
Non-current loans	16	(16,628)	(16,228)
Net assets		**13,960**	**27,703**
Equity			
Share capital	18	8,506	6,826
Share premium	18	23,900	23,900
Share option reserve	19	1,460	817
Other equity reserve	19	271	271
Listing cost reserve	19	(219)	(219)
Merger relief reserve	19	16,233	4,471
Retained losses		(36,191)	(8,363)
Total equity		**13,960**	**27,703**

Approved by the Board on 25 March 2019 and signed on its behalf by:



Andrew Walwyn
Chief Executive Officer

The notes on pages 52 to 64 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

	Notes	2018 £'000	As restated 2017 £'000
Loss for the year		(13,296)	(7,629)
Adjustments for:			
Interest charge		2,167	2,057
Amortisation of intangible assets	11	7,491	8,049
Release of grant creditors		(2,556)	(582)
Depreciation of property, plant and equipment	10	6,629	3,287
Tax credit		(1,870)	(2,451)
Share based payments		395	353
Foreign exchange movement		(130)	(1,285)
(Increase) / decrease in inventories		(474)	114
(Increase) in trade and other receivables		(4,445)	(207)
Increase in trade and other payables		10,896	544
Loss on disposals of fixed assets		63	15
Cash generated from continuing operations		4,870	2,265
Interest paid		(1,478)	(1,406)
Tax paid		(18)	-
Net cash inflow from operating activities		3,374	859
Investing activities			
Purchase of property, plant and equipment	10	(2,282)	(2,826)
Purchase of intangibles	11	(5,498)	(4,362)
Purchase of investments	11	(8,169)	(4,066)
Net cash used in investing activities		(15,949)	(11,254)
Financing activities			
Cash within subsidiaries acquired	11	1,491	-
Proceeds from issue of ordinary share capital		11,948	7,518
Proceeds from bank revolving credit facility		400	4,500
Loans received and paid within subsidiaries acquired		351	(1,489)
Net cash generated from financing activities		14,190	10,529
Net increase in cash and cash equivalents		1,615	134
Cash and cash equivalents at beginning of year		3,452	3,318
Cash and cash equivalents at end of year		5,067	3,452

The notes on pages 52 to 64 form an integral part of these financial statements.

Company Statement of Cash Flows

	2018 £'000	2017 £'000
Loss for the year	(27,828)	(4,208)
Adjustments for:		
Interest charge	2,137	2,011
Share based payments	395	353
Increase in trade and other receivables	13,767	(19)
Increase in trade and other payables	919	2,120
Cash (outflow) / inflow from operating activities	(10,610)	257
Interest paid	(1,448)	(1,406)
Financing activities		
Proceeds from issue of ordinary share capital	11,948	7,518
Proceeds from bank revolving credit facility	400	4,500
Intercompany loans	-	(10,533)
Net cash generated from financing activities	12,348	1,485
Net increase in cash and cash equivalents	290	336
Cash and cash equivalents at beginning of year	625	289
Cash and cash equivalents at end of year	915	625

The notes on pages 52 to 64 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

	Note	Share capital £'000	Share premium £'000	Share option reserve £'000	Retained losses £'000	Other equity reserve £000	Foreign exchange reserve £'000	Reverse acquisition reserve £'000	Listing cost reserve £'000	Merger relief reserve £'000	Total equity £'000
At 1 December 2016		**5,362**	**15,589**	**464**	**(13,201)**	**271**	**726**	**(3,317)**	**(219)**	**4,471**	**10,146**
Loss for the year		-	-	-	(7,629)	-	-	-	-	-	(7,629)
Issue of shares		1,464	8,311	-	-	-	-	-	-	-	9,775
Equity-settled share-based payments	22	-	-	353	-	-	-	-	-	-	353
Other comprehensive expense		-	-	-	(67)	-	(3,246)	-	-	-	(3,313)
At 1 December 2017		**6,826**	**23,900**	**817**	**(20,897)**	**271**	**(2,520)**	**(3,317)**	**(219)**	**4,471**	**9,332**
Loss for the year		-	-	-	(13,296)	-	-	-	-	-	(13,296)
Issue of shares	18	1,680	-	248	-	-	-	-	-	11,762	13,690
Equity settled share-based payments	22	-	-	395	-	-	-	-	-	-	395
Other comprehensive expense		-	-	-	(394)	-	364	-	-	-	(30)
At 30 November 2018		**8,506**	**23,900**	**1,460**	**(34,587)**	**271**	**(2,156)**	**(3,317)**	**(219)**	**16,233**	**10,091**

The notes on pages 52 to 64 form an integral part of these financial statements.

Company Statement of Changes in Equity

	Note	Share capital £'000	Share premium £'000	Share option reserve £'000	Listing cost reserve £'000	Other equity reserve £'000	Merger relief reserve £'000	Retained losses £'000	Total equity £'000
At 1 December 2016		**5,362**	**15,589**	**464**	**(219)**	**271**	**4,471**	**(4,155)**	**21,783**
Loss for the year		-	-	-	-	-	-	(4,208)	(4,208)
Issue of shares		1,464	8,311	-	-	-	-	-	9,775
Equity-settled share-based payments	22	-	-	353	-	-	-	-	353
At 1 December 2017		**6,826**	**23,900**	**817**	**(219)**	**271**	**4,471**	**(8,363)**	**27,703**
Loss for the year		-	-	-	-	-	-	(27,828)	(27,828)
Issue of shares	18	1,680	-	248	-	-	11,762	-	13,690
Equity-settled share-based payments	22	-	-	395	-	-	-	-	395
At 30 November 2018		**8,506**	**23,900**	**1,460**	**(219)**	**271**	**16,233**	**(36,191)**	**13,960**

The notes on pages 52 to 64 form an integral part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

General information and basis of preparation

Bigblu Broadband plc is a public limited company, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is 108 Churchill Road, Bicester, Oxfordshire, England OX26 4XD. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The financial statements of Bigblu Broadband plc for the year ended 30 November 2018 were authorised for issue by the Board on 25 March 2019 and the balance sheets signed on the Board's behalf by Andrew Walwyn.

The nature of the Group's operations and its principal activities is the provision of satellite and wireless broadband telecommunications and associated / related services and products.

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements have been prepared on the historical cost basis.

The consolidated financial statements are for the 12 months to 30 November 2018. This review covers the consolidated results of Bigblu Broadband plc and its subsidiary undertakings from the date of acquisition.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed further. The principal accounting policies set out below have been consistently applied to all the years presented in these financial statements, except as stated below.

Standards issued and applied for the first time in 2018

The following new and revised Standards and Interpretations have been adopted in the current year. Unless otherwise disclosed, their adoption has had no material impact on the amounts reported in these financial statements:

- Amendment to IFRS 12 Disclosure of interest in other entities clarifying scope;
- Amendment to IAS 7 Statement of cashflows on disclosure initiative; and,
- Amendment to IAS 12 Income taxes on recognition of deferred tax assets for unrealised losses

The adoption of these standards has not had a material impact on the financial statements. The following new and revised Standards and Interpretations are issued. The Group intends to adopt these standards in 2019 and are currently not effective:

- Amendments to IFRS 9 Financial Instruments
- IFRS 16 Lease
- IFRS 15 Revenue recognition
- IAS 10 Transfers of Investment property
- Annual Improvements to IRS Standards 2014 – 2016 Cycle
- Amendments to IAS 28 Investments in Associates and Joint Ventures
- IFRIC 22 Foreign currency transactions

Of the standards and interpretations in issue but not yet effective, only IFRS15 is expected to have a material impact on the results and financial position of the Group.

IFRS15 will be adopted for the year commencing 1 December 2018. This is expected to have no material impact on the current trading activity. Post year end a new contract has been signed that will require different treatment under IFRS15 than under the currently followed IAS18.

IFRS16 is expected to be adopted from 1 December 2019. This will require all operating leases as a lessor to be reflected on the Balance Sheet. The potential impact on the Group is currently being assessed but given the nature of the operating leases held, this is not expected to have a significant impact. At 30 November 2018, operating lease commitments were £1.0m (see note 20) and operating lease payments for 2018 were £0.7m (see note 3).

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 6 to 18. The financial position of the Group, its cash flows and liquidity position are described in the Finance Review on pages 10 to 15. In addition note 23 to the financial statement includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

As at 30 November 2018 the Group generated an adjusted EBITDA before a number of non-cash and start-up costs expenses as shown on page 10, of £6.8m (2017: £4.7m), and with cash inflow from operations of £4.9m (2017: inflow of £2.3m) and a net increase in cash and cash equivalents of £1.6m in the year (2017: increase £0.1m). The Group balance sheet showed net cash at 30 November 2018 of £5.1m (2017: £3.5m).

Having reviewed the Group's budgets, projections and funding requirements, and taking account of reasonable possible changes in trading performance over the next twelve months, the Directors believe they have reasonable grounds for stating that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

The Board has concluded that no matters have come to its attention which suggest that the Group will not be able to maintain its current terms of trade with customers and suppliers or indeed that it could not adopt relevant measures to reduce costs and free cash flow. The forecasts for the combined Group up to 30 April 2020, as extended as part of HSBC approval process, including due consideration of the continued operating losses of the Group, and projections, taking account of reasonably possible changes in trading performance, indicate that the Group has sufficient cash available to continue in operational existence throughout the forecast year and beyond. The Board has considered various alternative operating strategies should these be necessary and are satisfied that revised operating strategies could be adopted if and when necessary. As a consequence, the Board believes that the Group is well placed to manage its business risks, and longer-term strategic objectives, successfully.

Revenue

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer net of sales taxes and discounts. The Group principally obtains revenue from providing the following telecommunications services: airtime usage, service charges, connection fees and equipment sales. Products and services may be sold separately or in bundled packages.

Revenue for equipment sales is recognised when the invoice is raised.

Revenue for service charges, connection fees and airtime usage are recognised at the time services are performed which is when the performance obligation is settled.

Foreign currency

For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit and loss for the year.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average monthly rate of exchange ruling at the date of the transaction, unless exchange rates fluctuate significantly during that month, in which case the exchange rates at the date of transactions are used.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Land	0% on cost
Building improvements	20% on cost
Fixtures, fittings & infrastructure	10%–25% on cost
IT hardware and software	25% on cost
Motor vehicles	25% on cost
Rental Stock	25% on cost

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting year to ensure that the amounts, method and years of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

The depreciation policy was amended in the year due to a revision of the asset useful life in relation to our fixed wireless assets in the UK and Norway. The amendment in policy was as follows:

- UK reduced to 4 years from 6 years (25% pa)
- Norway reduced to 10 years from a range of 5 to 15 years (10% pa)

Gains or losses on disposal are included in Statement of Comprehensive Income.

Goodwill

Goodwill on acquisitions comprises the excess of the aggregate of the fair value of the consideration transferred, the fair value of any previously held interests, and the recognised value of the non-controlling interest in the acquiree, over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible Assets and Amortisation

Goodwill and Intellectual Property are reviewed annually for impairment and the carrying value is reduced accordingly. Other intangible assets are amortised from the date they are available for use over their estimated useful lives as per below and this is charged to profit or loss on a straight-line basis:

- Customer Contracts – 2 years
- Software – 3 years
- Intellectual Property – 3 years

Intangible assets recognised in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date.

Amortisation is charged to profit or loss on a straight-line basis (Within administration expenses) over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually. Other intangible assets are amortised from the date they are available for use. The useful lives are as follows:

- Customer Contracts – 2 years

Investments

Investments are recorded at cost. Investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Investments in subsidiaries are stated at cost and reviewed for impairment on an annual basis.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs to make the sale.

Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at amortised cost less impairment losses.

The collectability of debt is assessed on a monthly basis such that individual and collective impairment provisions are made as and when required.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and Other Payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Impairment of Non-Financial Assets

The Group assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognised as revaluation decrease. For goodwill, intangible assets that have an indefinite life, and intangible assets not yet available for use, the recoverable amount is estimated annually and at the end of each reporting year if there is an indication of impairment.

Financial Instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs (which is recognised in profit or loss). Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risk and rewards of ownership.

Equity Instruments

Equity instruments issued by the Group are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments.

BGF Convertible Loan

The Company's subordinated and unsecured convertible £2.4m 2024 loan facility with the BGF has been accounted for using split accounting to recognise separate debt and equity components. The debt component is recognised on the date of inception or modification at the fair value of a similar liability that does not have an equity conversion option. The equity element is recognised as the difference between the fair value of the financial instrument as a whole and the fair value of the debt component. Any directly attributable transaction costs are allocated to the equity and debt components in proportion to their initial carrying amounts. Subsequently, the debt component is measured at amortised cost using the effective interest rate method. A redemption premium interest reserve is accrued monthly at £57k, over 60 months, repayable in 2021.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor or lessee, are classified as operating leases. BBB, the lessor, owns rental stock where these assets are rental by its customers, the lessee. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the life of the lease.

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognized as other comprehensive income or to an item recognized directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates income.

Deferred tax balances are recognized in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using rates and laws that have been enacted or substantively enacted by the reporting date.

Employee Entitlements

Liabilities for wages and salaries, including non-monetary benefits for annual leave, which is expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employee's services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable. The liabilities for employee entitlements are carried at the present value of the estimated future cash flows.

Pensions

The Group operates a defined contribution scheme, the pension cost charge represents the contributions payable.

Research & Development

Expenditure incurred at the research stage is written off to the income statement as an expense when incurred. An intangible asset arising from development is capitalised when the Company demonstrates technical feasibility of completing the intangible asset, intention to complete and use or sell the asset, ability to use or sell the asset, existence of a market or, if to be used internally, the usefulness of the asset, availability of adequate technical, financial, and other resources to complete the asset and the cost of the asset can be measured reliably.

Government Grants

Grants are received as a subsidy towards both assets and expenditure.

Grants in relation to assets are initially recognised as deferred income and released to the Statement of Comprehensive Income over the useful life of the asset.

Grants in relation to expenditure are initially recognised as deferred income and released to the Statement of Comprehensive Income to match the related costs.

Critical accounting judgements and key areas of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances

(a) Revenue recognition

If the consideration promised by a customer is variable, a company will estimate it using either the expected value or the most likely amount, depending on which amount better predicts the amount of consideration to which the company will be entitled. Some or all of the estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(b) Property, plant and equipment

Depreciation is derived using estimates of its expected useful life and residual value, which are reviewed annually. Management determines useful lives and residual values based on experience with similar assets.

(c) Share based compensation

The Group issues equity settled share based payments to certain Directors and employees, which have included grants of shares, warrants and options in the current year. Equity settled share based payments are measured at fair value at the date of grant, with the charge being recognised within the statement of comprehensive income over the year of service to which the grant relates.

The fair value is measured using a Black-Scholes framework. The Directors have used judgement in the calculation of the fair values of the share based compensation which has been granted during the year, and different assumptions in the model would change the financial result of the business.

(d) Forecasting

The Group prepares medium-term forecasts based on Board approved budgets and 3-year financial models. These are used to support judgements in the preparation of the Group's financial statements including the decision on whether to recognise deferred tax assets and for the Group's going concern assessment.

(e) Goodwill and other intangible assets

Judgement is required in the annual impairment test of goodwill to ascertain if there are any signs of impairment. This test covers the future EBITDA performance against the carrying value of the Goodwill. The Group values other intangibles based on the following:

- Intellectual property based on estimated fair value
- Customer contracts have been valued by taking an average length of contract multiplied by an average margin per month. A discount rate has been applied to the calculated value to reflect customer churn and doubtful debts. The margin and applied discount will vary dependant on the customer base which factors in location, economy and history of the previous business.The contract value will be reviewed annually for impairment.

(f) Trade and other receivables

Judgement is required in ascertaining the collectability of debt and impairment provisions are made accordingly. Impairment is determined on the age of the debt and suitable provisions are then provided where appropriate.

2. Revenue

	2018 £'000	2017 £'000
Recurring revenue- airtime	45,104	39,625
Recurring revenue – other	4,921	1,615
Other non recurring revenue	5,326	2,652
	55,351	43,892

Other non-recurring revenue includes government grant income.

Segmental split of revenue:

The Group's operations are located throughout Europe and in Australia, with the head office located in the United Kingdom. The assets of the Group, cash and cash equivalents, are split across each of the regions, with the non-current assets shown below.

The Group currently has one reportable segment – provision of broadband services – and categorises all revenue from operations to the segment. The chief operating decision maker is the Chief Financial Officer. The Group's revenue from external customers, and the non-current assets by geographical location is detailed below:

	External revenue by location of customer		Non-current assets by location of assets	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
United Kingdom	16,405	14,083	29,684	22,900
Europe	23,780	14,450	8,650	8,767
Rest of World	15,166	15,359	3,323	6,219
	55,351	43,892	41,657	39,886

3. Loss from Operations

The loss before tax has been arrived at after charging the following:	2018 £'000	2017 £'000
Depreciation of property plant & equipment	6,629	3,287
Amortisation of intangible assets (Note 11)	7,491	8,049
Operating lease payments (Note 20)	680	514
Operating lease receipts	298	306
Share based payments (Note 22)	395	353
Wages & salaries and social security costs (Note 5)	12,409	8,082
Pension costs (Note 5)	287	17
Loss on disposal of Fixed Assets	63	16
Foreign exchange differences	394	66

4. Auditor's Remuneration

	2018 £'000	2017 £'000
Audit services		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	45	44
Fees payable to the Group's auditor for other services:		
Audit of the accounts of subsidiaries	57	68
Tax fees	10	8
	112	120

5. Staff Costs

	2018 £'000	2017 £'000
The aggregate remuneration of all employees (including directors) comprised:		
Wages and salaries	11,241	7,602
Social security costs	1,168	480
Pension costs	287	17
	12,696	8,099

The average monthly number of people (Including the Executive Directors) employed during the year by category of employment:

	Number	Number
Operating staff	137	134
Sales staff	32	26
Management and administrative staff	71	32
	240	192

6. Directors' Remuneration

	2018 £'000	2017 £'000
Salaries	882	788
Fees	115	92
Benefits	43	60
Pension costs	17	7
	1,057	947

The highest paid director's aggregate remuneration was £340k (2017: £330k). Details of directors' remuneration, including pension contributions, are set out in the Directors' Report on page 20.

7. Finance Costs

	2018 £'000	2017 £'000
BGF unsecured loan interest payable	1,200	1,060
Bank loan interest payable	59	44
Revolving Credit Facility interest payable	182	121
Hire purchase and finance lease interest payable	7	2
Total interest payable	1,448	1,227
BGF redemption premium and finance charges	689	830
Total finance costs	2,137	2,057

Interest is payable on the BGF Unsecured Loan, Revolving Credit Facility and Bank Loan at 10%, 4.346% and 4.3% respectively. Hire purchase and finance lease interest is payable at 6%. Interest paid in the year amounts to £1,478k.

8. Taxation

a) Tax credit for the year

	2018 £'000	2017 £'000
UK Corporation tax	(448)	-
Overseas corporation tax	30	-
Deferred tax credit	(1,452)	(2,451)
Current tax credit	(1,870)	(2,451)

b) Tax reconciliation

The taxation credit on the loss for the year differs from the amount computed by applying the corporation tax rate to the loss before tax for the following reasons:

	2018 £'000	2017 £'000
Loss on ordinary activities before tax	(15,166)	(10,080)
Tax at UK corporation tax rate of 19% (2017: 19%)	(2,882)	(1,195)
Tax effect of expenses that are not deductible in determining taxable profit	2,650	1,640
Non-taxable income	-	(44)
Fixed asset differences	155	(64)
R&D adjustment	(155)	-
Adjustment for period periods	(233)	-
Deferred tax not recognised	(1,239)	(1,549)
Other timing differences	(227)	(1,298)
Changes in deferred tax rate	61	59
Tax credit at effective tax rate for the year	(1,870)	(2,451)

c) Deferred Tax

The deferred tax included in the balance sheet is as follows:

	2018 £'000	2017 £'000
Deferred tax asset	882	648
Deferred tax liability	(657)	(1,292)
	225	(644)

9. Loss Per Share

Basic earnings per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share, or increase the loss per share. For a loss-making Group with outstanding share options, net loss per share would be decreased by the exercise of options. Therefore, as per IAS33:36 the antidilutive potential ordinary shares are disregarded in the calculation of diluted EPS.

Reconciliation of the loss and weighted average number of shares used in the calculation are set out below:

On 28 May 2018 the Company reorganised its share capital by way of a consolidation (the "Consolidation"). Upon implementation of the Consolidation, every 15 ordinary shares of 1p each in the capital of the Company ("Existing Ordinary Shares") then in issue were consolidated into 1 new ordinary share of 15p ("New Ordinary Share"). The weighted average number of shares for last year has been restated to reflect the consolidation.

	30 November 2018		
	Loss £'000	Weighted Average No. of Shares	Per Share Amount Pence
Basic and diluted EPS			
Loss attributable to shareholders	(13,296)	51,551,407	(25.8)

	30 November 2017		
	Loss £'000	Weighted Average No. of Shares	Per Share Amount Pence
Original Basic and diluted EPS			
Loss attributable to shareholders	(7,629)	579,563,625	(1.57)

	30 November 2017		
	Loss £'000	Weighted Average No. of Shares	Per Share Amount Pence
Restated Basic and diluted EPS			
Loss attributable to shareholders:	(7,629)	38,637,575	(19.7)

10. Property, Plant & Equipment - Group

	Land & Buildings £'000	Fixtures, Fittings & Infrastructure £'000	IT Hardware & Software £'000	Motor Vehicles £'000	Rental Stock £'000	Total £'000
Cost						
Restated at 1 December 2016	-	7,013	1,208	64	854	9,139
Additions	-	1,143	163	16	1,504	2,826
Disposals	-	-	-	(28)	-	(28)
Acquired through business combinations	229	3,643	-	104	-	3,976
Restated at 30 November 2017	229	11,799	1,371	156	2,358	15,913
Exchange Differences	-	54	14	2	15	85
Additions	-	1,505	43	112	622	2,282
Disposals	-	(49)	(1)	(116)	-	(166)
Acquired through business combinations	-	140	178	43	769	1,130
At 30 November 2018	229	13,449	1,605	197	3,764	19,244
Accumulated Depreciation						
Restated at 1 December 2016	-	1,267	411	39	142	1,859
Depreciation on Acquisition	38	1,370	-	25	-	1,433
Depreciation charge	30	2,225	63	17	952	3,287
Disposals	-	-	-	(13)	-	(13)
Restated at 30 November 2017	68	4,862	474	68	1,094	6,566
Exchange Differences	-	131	3	4	15	153
Depreciation on Acquisition	-	96	127	33	226	482
Depreciation charge	23	5,553	175	48	830	6,629
Disposals	-	(24)	(1)	(78)	-	(103)
At 30 November 2018	91	10,618	778	75	2,165	13,727
Net book value						
At 30 November 2018	138	2,831	827	122	1,599	5,517
Restated at 30 November 2017	161	6,937	897	88	1,264	9,347

Due to a revision of the asset useful life in relation to fixed wireless assets in the UK, and in Norway, an additional £3.1m of depreciation was provided in FY 2018. This was due to a full review of the useful economic life of such assets.

The restatement in 2017 was due to the result of the grossing up of the deferred grant income between Property, Plant and Equipment and Other Payables.

Leased assets

Motor vehicles includes the following amounts where the group is a lessee under a finance lease.

	2018 £000	2017 £000
Cost	169	161
Accumulated depreciation	(59)	(92)
Net book value	110	69

11. Intangible Assets - Group

	Goodwill £'000	Customer Contracts £'000	Software £'000	Intellectual Property £'000	Total £'000
Cost					
At 1 December 2016	14,687	14,280	280	1,243	30,490
Additions	-	-	307	-	307
Exchange Differences	-	328	-	127	455
Acquired through business combinations	6,272	2,834	-	1,081	10,187
At 30 November 2017	20,959	17,442	587	2,451	41,439
Additions	-	474	960	49	1,483
Transfers in from Investments	-	292	-	-	292
Reclassification to deferred tax	-	(547)	-	-	(547)
Reclassification of goodwill	(528)	528	-	-	-
Exchange Difference	467	119	-	(1)	585
Acquired through business combinations	8,169	2,880	-	551	11,600
At 30 November 2018	29,067	21,188	1,547	3,050	54,852
Accumulated amortisation					
At 1 December 2016	1	3,168	27	-	3,196
Amortisation	-	7,834	215	-	8,049
At 30 November 2017	1	11,002	242	-	11,245
Exchange Differences	-	29	-	-	29
Amortisation	110	6,743	628	10	7,491
At 30 November 2018	111	17,774	870	10	18,765
Net book value					
At 30 November 2018	28,956	3,414	677	3,040	36,087
At 30 November 2017	20,958	6,440	345	2,451	30,194

Additons

(1) Sat Internet Services GmbH - On 15 May 2018, Bigblu Operations Limited, a wholly owned subsidiary of Bigblu Broadband plc, acquired the entire share capital of Sat Internet Services GmbH. The book value at acquisition, which is equivalent to fair value of the assets, was as follows:

	Fair Value £'000
Goodwill	4,612
Property, plant and equipment	111
Inventory	98
Other current assets	382
Liabilities	(767)
Fair value adjustments	(379)
Intellectual Property	264
Customer Contracts	1,200
Deferred Tax	(249)
Total consideration	5,272
Satisfied by:	
Cash	3,789
Shares	877
Deferred consideration – see below	606
	5,272

Deferred consideration of £606k is calculated based on future earnings over a one year period. This is payable based on an agreed sum in year 1 and the balance based on profitability over the deferred consideration period post acquisition, which is based on EBITDA. The number of shares issued as part of the purchase price was 10,319,917, representing a value of £877k.

(2) Open Sky S.R.L. - On 15 May 2018, Bigblu Operations Limited, a wholly owned subsidiary of Bigblu Broadband plc, acquired the entire share capital of Open Sky S.R.L. The book value at acquisition, which is equivalent to fair value of the assets, was as follows:

	Fair Value £'000
Goodwill	3,557
Property, plant and equipment	627
Inventory	283
Other current assets	3,044
Liabilities	(2,739)
Fair value adjustments	(661)
Intellectual Property	287
Customer Contracts	1,680
Deferred Tax	(334)
Total consideration	5,744
Satisfied by:	
Cash	2,644
Shares	877
Deferred consideration – see below	2,223
	5,744

Deferred consideration of £2,223k is calculated based on future earnings, with £877k payable in 6 months, and the balance within one year of acquisition. This is payable based on an agreed 6 monthly period and the balance based on profitability over the deferred consideration period post acquisition, which is based on EBITDA. The number of shares issued as part of the purchase price was 10,319,917, representing a value of £877k.

Goodwill arising on acquisition

Goodwill arising from acquisitions made in the year was as follows:

	Sat Internet Services GmbH £'000	Open Sky S.R.L £'000	Total £'000
Consideration	5,272	5,744	11,016
Fair value of assets & liabilities acquired	(660)	(2,187)	(2,847)
Goodwill	4,612	3,557	8,169

The above consideration includes deferred consideration of £2.8m.

Revenue and Profits from acquisitions in the year

Revenue and profit after tax included in the Consolidated Statements of Comprehensive Income for the year ended 30 November 2018, from the acquisitions in the year are as follows:

	Sat Internet Services GmbH £'000	Open Sky S.R.L £'000	Total £'000
Post-acquisition			
Revenue	1,689	4,152	5,840
Profit after tax	438	483	921
Like for like revenue	3,549	7,871	11,420

Like for like revenue represents income of the Group as though acquisitions took place at the beginning of the year.

12. Investments

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Subsidiaries	-	-	5,625	5,625
Customer Contracts	53	345	-	-
	53	345	5,625	5,625
Opening balance:	345	53	5,625	5,625
Additions during the year:				
Netipsat customers	-	218	-	-
Internet Anywhere customers	-	74	-	-
Reclassification to intangible assets	(292)	-	-	-
Closing balance	53	345	5,625	5,625

Subsidiary Undertakings

Bigblu Broadband plc and its subsidiaries hold more than 20% of the share capital of the companies below:

	Address & Country of Incorporation	Class of Share	Parent Company	No of Shares	% held by parent
Bigblu Operations Limited (Formerly Satellite Solutions Worldwide Limited)	Broadband House, 108 Churchill Road, Bicester, Oxfordshire OX26 4XD England	Ordinary	Bigblu Broadband plc	20,266 of £0.01 each	100%
Bigblu Ireland Limited (Formerly Europasat Satellite (Ireland) Limited)	Century House, Harold's Cross Road, Dublin 6W Ireland	Ordinary	Bigblu Operations Limited	100 of €1 each	100%
Europasat (France) SAS	Atelier Village PMI 3-38 Rue Jean Jacques Mention Espace Industriel Nord 80000 Amiens France	Ordinary	Bigblu Operations Limited	5,000 of €1 each	100%
Europasat Sp Z.o.o.	Połczyńska 31A, 01-001 Warszawa Poland	Ordinary	Bigblu Operations Limited	100 of PLN0.02 each	100%
Bigblu Services Holdings Limited (Formerly Avonline Satellite Services Holdings Ltd)	Broadband House, 108 Churchill Road, Bicester, Oxfordshire OX26 4XD England	Ordinary	Bigblu Operations Limited	50,000 of £1.60 each 50,000 of £1 each 50,000 of £18.80 each	100%
Bigblu Services Limited (Formerly Avonline Satellite Services Ltd)	Broadband House, 108 Churchill Road, Bicester, Oxfordshire OX26 4XD England	Ordinary	Bigblu Services Holdings Limited	2 of £1 each	100%
Breiband.no.as	Høgdaveien 1, 1540 Vestby Norway	Ordinary	Bigblu Operations Limited	1,700,412 of 1.40Nok each	100%
SkyMesh Pty Ltd	37 Baxter Street, Fortitude Valley QLD 4006, Brisbane Australia	Ordinary	Bigblu Operations Limited	20,898,680 of £0.196 each	100%
BorderNET Internet Pty Ltd	37 Baxter Street, Fortitude Valley QLD 4006, Brisbane Australia	Ordinary	SkyMesh Pty Ltd	2,863,105 of £0.09 each	100%
Quickline Communications Ltd	Broadband House, 108 Churchill Road, Bicester, Oxfordshire OX26 4XD England	Ordinary	Bigblu Operations Limited	28,571,428 of £0.07 each	100%
Clannet Broadband Ltd	Broadband House, 108 Churchill Road, Bicester, Oxfordshire OX26 4XD England	Ordinary	Quickline Communications Ltd	4 of £1 each	100%
Open Sky S.R.L.	Corso San Felice e Fortunato 105 36100, Vicenza Italy	Ordinary	Bigblu Operations Limited	30,000 shares of 1€ each	100%
Sat Internet Services GmbH	Justus-von-Liebig Straße 26 Neustadt am Rübenberge Germany	Ordinary	Bigblu Operations Limited	25,000 shares of 1€ each	100%
Getinternet GmbH	Justus-von-Liebig Straße 26 Neustadt am Rübenberge Germany	Ordinary	Sat Internet Services GmbH	25,000 shares of 1€ each	100%
Orbitcom GmbH	Justus-von-Liebig Straße 26 Neustadt am Rübenberge Germany	Ordinary	Sat Internet Services GmbH	25,000 shares of 1€ each	100%
Satellite de Sabedoria Lda	Rua Comendador Armindo da Fonseca 6A 3100-436 Pombal Portugal	Ordinary	Sat Internet Services GmbH	1 share of 5,000€	100%
Europasat Iberica Sociedad Limitada	Calle Estrasburgo, 5 - NAV 7, las Rozas de Madrid, 28232 , Madrid Spain	Ordinary	Bigblu Operations Limited	300 of €10 each	100%

13. Inventory

Group	2018 £'000	2017 £'000
Finished goods	1,950	1,476

14. Trade and other receivables

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade receivables	4,811	3,018	-	-
Other receivables	2,707	729	68	35
Prepayments and accrued income	2,375	1,960	86	61
Amounts due from group undertakings	-	-	26,526	39,298
	9,893	5,707	26,680	39,394

Movement in provision for impairment of receivables

Individually impaired	2018 £'000	2017 £'000
As at 1 December 2017	613	422
Charged to Income statement	1,273	321
Utilised	(557)	(130)
As at 30 November 2018	1,329	613

The average credit days taken on sales of goods and services is 32 days (2017: 25 days). No interest is charged on receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience and likelihood of recovery as assessed by the directors.

Included in the Group's trade receivable balance are debtors with a carrying amount of £826k (2017: £432k) which are past due at the reporting date. The directors consider that the carrying amount of trade receivables approximates to their fair value.

Amounts receivable ageing:	Individually Impaired 2018 £'000	Individually Impaired 2017 £'000
Current	3,057	1,555
30-60 days	389	620
60-90 days	204	221
90-120 days	1,161	622
As at 30 November 2018	4,811	3,018

15. Trade and other payables

Current	Group 2018 £'000	As restated Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade payables	9,677	7,176	266	294
Amounts due to group undertakings	-	-	108	250
Other taxes and social security	2,954	2,012	-	-
Other payables	9,226	6,823	206	-
Accruals and deferred income	9,413	4,657	2,052	1,169
Finance leases	43	63	-	-
	31,313	20,731	2,632	1,713

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average creditors days taken for trade purchases is 107 days (2017: 95 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Within other payables is £6.4m (FY2017: £3.5m) of deferred consideration which relates to future years profits in relation to acquisitions made during the year. The directors consider that the carrying amount of trade and other payables approximates to their fair value.

16. Non-current liabilities

	Group 2018 £'000	As restated Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Unsecured Loan	11,728	11,728	11,728	11,728
Revolving credit facility	4,900	4,500	4,900	4,500
Other loans	351	-	-	-
Total loans	16,979	16,228	16,628	16,228
Finance leases	96	-	-	-
Other payables	313	3,586	-	-
Total	17,388	19,814	16,628	16,228

The Unsecured Loan is subordinated and repayable in May 2021. Interest is charged quarterly at a fixed rate of 10% pa. The unsecured Revolving Credit Facility obtained during the year is repayable by May 2024, and attracts interest at a fixed rate of 4.346%. Finance leases attract interest at a rate of 6%. Other payables relate to deferred consideration payable greater than one year.

Maturity of finance leases

	2018 £'000	2017 £'000
Due less than 1 year	43	63
Due 1 - 2 years	35	-
Due 2 - 5 years	61	-
Total	139	63

Maturity analysis

	Group 2018 £'000	As restated Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Due 1 - 2 years	447	846	-	-
Due 2 - 5 years	11,728	12,590	11,728	11,728
Due over 5 years	4,900	4,500	4,900	4,500
Total	17,075	17,936	16,628	16,228

BGF loan and equity warrants

A fully subordinated £12m 2024 unsecured loan note facility and associated equity warrants (the 'BGF loan and option') were received from BGF in 2016. These instruments are accounted for using split accounting which involves first determining the carrying amount of the debt component. This is done by measuring the net present value of the discounted cash flows of interest and capital repayments, ignoring the possibility of exercise of the equity warrants. The discount rate is the market rate at the time of inception for a similar liability that does not have an associated equity instrument. On this basis the debt component, held within 'other non-current liabilities', had a fair value as at 30 November 2018 of £11.7m (2017: £11.7m), and the equity component, held within 'other equity reserves', a fair value of £0.3m (2017: £0.3m). As at 30 November 2018, the fair value of the debt component had increased due to the unwinding of the interest rate discount over time, with a £830k (2017: £830k) charge going to finance costs in the income statement. This charge is split £141k (2017: £146k) within underlying interest charges and £689k (2017: £684k) within non-underlying finance costs, the latter amount being the additional annual charge associated with the redemption premium.

17. Deferred Taxation

	2018 £'000	2017 £'000
At 1 December	644	3,545
Transfer to Statement of Comprehensive Income	(1,452)	(2,451)
Deferred taxation adjustment on prior year acquisition	-	(1,229)
Deferred taxation transfer	583	664
Other differences	-	115
At 30 November	(225)	644
Deferred tax is provided as follows:		
Accelerated capital allowances	882	648
Intangible assets	(657)	(1,292)
	225	(644)
Geographical split of deferred tax asset:		
United Kingdom	68	78
Europe	803	523
Rest of the World	11	47
	882	648

18. Share Capital

	No. of Shares No.	Share Capital £	Share Premium £
At 30 November 2017	45,507,350	6,826,103	23,900,242
Shares issued in the year			
Shares issued at 15p each	10,802,656	1,620,396	-
Shares issued at 15p each	394,072	59,110	-
At 30 November 2018	56,704,078	8,505,609	23,900,242

On 28 May 2018 the Company reorganised its share capital by way of a consolidation (the "Consolidation"). Upon implementation of the Consolidation, every 15 ordinary shares of 1p each in the capital of the Company ("Existing Ordinary Shares") then in issue were consolidated into 1 new ordinary share of 15p ("New Ordinary Share"). The number of shares and the share capital as at 30 November 2017 has been restated to reflect this consolidation

All issued share capital is fully paid up. All ordinary shares have a par value of £0.15.

19. Other Capital Reserves – Group

Listing cost reserve

The listing cost reserve arose from expenses incurred on AIM listing.

Foreign exchange translation reserve

The foreign exchange translation reserve is used to record exchange difference arising from the translation of the final statements of foreign operations.

Share option reserve

The share option reserve is used for the issue of share options during the year and charges relating to previously issued options.

Merger relief reserve

The merger relief reserve relates to share premium attributable to shares issued in relation to the acquisition of Bigblu Operations Limited in May 2015, and the current year acquisitions. Costs of £0.4m (2017: £nil) were offset against the merger relief reserve during 2018 in relation to the share issue for acquisition consideration.

Other Equity Reserve

Other Equity relates to the equity element of the BGF Convertible Loan described in note 16.

Share Premium

Share premium represents the excess consideration over nominal value net of issue costs and amounts to £23.9m (2017: £23.9m). Costs of £Nil (2017: £0.5m) were offset against the share premium account during 2018 in relation to funds raised from the issue of shares.

20. Operating Lease Arrangements

	2018 £'000	2017 £'000
The Group as lessee		
Minimum lease payments under operating leases recognised as an expense in the year	680	514

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non- cancellable operating leases, which fall due as follows:

	2018 £'000	2017 £'000
Within one year	466	439
Within 2 – 5 years	557	684
	1,023	1,123

	2018 £'000	2017 £'000
The Group as lessor		
Minimum lease receipts under operating leases recognised as income in the year	298	306

At the balance sheet date, the Group had outstanding commitments for future minimum lease receipts under non-cancellable operating leases, which fall due as follows:

	2018 £'000	2017 £'000
Within one year	66	74
Within 2 – 5 years	6	7
	72	81

21. Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Remuneration of key management personnel

The remuneration of the directors, and the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures

	2018 £'000	2017 £'000
Short- term employment benefits	1,093	947
Pension costs	17	17
Share based payments	395	353
	1,505	1,317

22. Share-Based Payments

Share Options

The Group has share option schemes for employees of the Group. Options are exercisable at the price agreed at the time of the issue of the share option. The performance conditions vary between employees. If the options remain unexercised after a period of 5 years from date of grant the options expire. Options are forfeited if the employee leaves the Group before the options vest unless agreed by the board. Details of the share options granted during the year are as follows:

	2018		2017	
	Number of Share Options	Weighted Average Exercise price	Number of Share Options	Weighted Average Exercise price
Outstanding at beginning of year	2,995,242	88.15p	1,828,575	70.30p
Cancelled during the year	(140,000)	114.45p	(44,000)	70.31p
Granted during the year	2,388,227	113.50p	1,210,667	114.45p
Outstanding at end of year	5,243,469	98.99p	2,995,242	88.15p
Exercisable at end of year	1,337,242	81.65p	690,575	47.70p

The options outstanding at 30 November 2018 had a weighted average exercise price of 98.99p (2017: 88.15p), and a weighted average remaining contractual life of 2 years (2017: 2 years). The inputs into the Black-Scholes model are as follows:

	2018	2017
Weighted average share price	118.05p	108.75p
Weighted average exercise price	114.45p	87.45p
Expected volatility	50%	50%
Expected life	3yrs	2yrs
Risk-free rate	5%	5%

Long Term Incentive Plan

During the year an executive long-term incentive plan (LTIP) was put in place following consultation with a number of shareholders with performance criteria based on 2 key metrics: 50% based on how the BBB share price performs and 50% based on how BBB performs against a basket of similar companies. Due to there being no share scheme in operation in 2017, an exceptional initial LTIP award of 200% of salary was agreed for participants on launch of the scheme. It was agreed that awards would be considered annually by the Remuneration committee but that future awards would be 100% of salary.

Awards would be granted annually as part of a formal, annual, grant policy:

- within six weeks following the announcement of results; or
- when exceptional circumstances exist (e.g. the normal grant is delayed for some reason or an out of policy award needs to be granted).

Detailed Plan Rules

The Plan is being offered for the first time in 2018 and the remuneration committee of the Board of the Company shall have the right to decide, in its sole discretion, whether or not further awards will be granted in the future and to which employees those awards will be granted.

The rules were clear that grants were at the discretion of the board including TSR (Total Shareholder Return) considerations that needed to be taken into account before further awards could be made.

Warrants

The Group has issued warrants to investors. Warrants are exercisable at the price agreed at the time of issue and can be exercised from 6 months following admission to AIM for a year of 3 years. There are no performance conditions attached. If the warrants remain unexercised after a year of 3 years from date of grant the warrants expire. Details of the warrants granted during the year are as follows:

	2018		2017	
	Number of Warrants	Weighted average Exercise price	Number of Warrants	Weighted average Exercise price
Outstanding at beginning of year	108,464	15.0p	108,464	15.0p
Outstanding at end of year	108,464		108,464	
Exercisable at end of year	108,464		108,464	

The warrants outstanding at 30 November 2018 had a weighted average exercise price of 15.0p (2017: 15.0p), and a weighted average remaining contractual life of 1 year. (2017: 2 years). The inputs into the Black-Scholes model are as follows:

	2018	2017
Weighted average share price	67.5p	67.5p
Weighted average exercise price	15.0p	15.0p
Expected volatility	50%	50%
Expected life	2 yrs	2 yrs
Risk-free rate	5%	5%

Expected volatility was determined by assessing the movements of the share price since the readmission to AIM in May 2015. The group recognised total expenses of £395k (2017: £353k), related to equity-settled share-based payment transactions as follows:

	2018 £'000	2017 £'000
Share option charge	395	353

23. Financial Risk Management

Background

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements. There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note. The "financial instruments" which are affected by these risks comprise borrowings, cash and liquid resources used to provide finance for the Group's operations, together with various items such as trade debtors and trade creditors that arise directly from its operations, inter-company payables and receivables, and any derivatives transactions (such as interest rate swaps and forward foreign currency contracts) used to manage the risks from interest rate and currency rate volatility. General objectives, policies and processes The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to meet their financial obligations as they arise while maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 18 to 19. The Group raised £12.0m in May 2018 from the issue of new shares and a further £0.4m by way of revolving credit facility with HSBC. The Group utilised the majority of these funds to invest in future growth by acquiring a number of companies and businesses.

Credit risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments. The Group's exposure to credit risk is primarily attributable to its trade receivables. Credit risk is managed locally by the management of each business unit. Prior to accepting new customers, credit checks are obtained from reputable external sources. The amounts presented in the balance sheet are net of allowance for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction on the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with low credit risk assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has no significant concentration of credit risk, other than with its own subsidiaries, the performances of which are closely monitored. The Directors confirm that the carrying amounts of monies owed by its subsidiaries approximate to their fair value.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the cash position is continuously monitored to ensure that cash balances (or agreed facilities) meet expected requirements for a period of at least 90 days. The Board monitors annual cash budgets and updated forecasts against actual cash position on a monthly basis. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The maturity of financial liabilities is detailed in Note 16.

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or foreign exchange rates (currency risk).

Interest rate risk

The Group finances its operations through a mixture of retained profits, equity capital and bank facilities, including hire purchase and lease finance. The Group borrows in the desired currency at floating or fixed rates of interest and may then use interest rate swaps to secure the desired interest profile and manage exposure to interest rate fluctuations.

Borrowings contractual maturities and effective interest rate analysis

In respect of interest bearing financial liabilities, the table in note 16 indicates the undiscounted amounts due for the remaining contractual maturity (including interest payments based on the outstanding liability at the year end) and their effective interest rates. The ageing of these amounts is based on the earliest dates on which the Group can be required to pay. The HSBC facility is reported quarterly to the bank in the form of convenat complicance reporting, which monitors actuals performance by a number of specific monetary measurements.

Non-interest bearing liabilities

Details of trade and other payables falling due within one year are set out in Note 15.

Currency risk

The main currency exposure of the Group arises from the ownership of its subsidiaries in Europe and Australia. It is the Board's policy not to hedge against movements in the Sterling/Australian Dollar, Sterling/Norwegian Kroner and Sterling/Euro exchange rate.

Other currency exposure derives from trading operations where goods and services are exported or raw materials and capital equipment are imported. These exposures may be managed by forward currency contracts, particularly when the amounts or periods to maturities are significant and at times when currencies are particularly volatile.

Trading

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

24. Financial instruments

The Group has the following financial instruments:

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Financial assets				
Cash & cash equivalents	5,067	3,452	915	625
Trade receivables	4,811	3,018	-	-
Amounts owed by group undertakings	-	-	26,526	39,298
Other receivables	2,707	729	68	35
Total	12,585	7,199	27,509	39,958
Financial liabilities				
Trade payables	9,677	7,176	266	294
Amounts owed to group undertakings	-	-	108	250
Accruals	5,853	1,633	2,052	1,169
Other creditors	9,226	6,823	-	-
Finance leases	139	63	-	-
Total	24,895	15,695	2,426	1,713

The carrying value of financial instruments is a reasonable approximation of fair value due to the short-term maturities of these instruments.

25. Post Balance Sheet Events

Eurobroadband Infrastructure

In December 2018, the Company announced Eurobroadband Infrastructure ("EBI"), a subsidiary of Eutelsat (NYSE/Euronext: ETL), had selected the Company as its preferred partner in its program to launch a market leading superfast satellite broadband service to consumers and businesses across Europe at download speeds of up to 50 Mbps.

Under this commercial arrangement, EBI will provide satellite network capacity, as well as assist with subscriber premises equipment, installation and marketing to support the 'Konnect' brand. The Company will promote and sell satellite broadband services while managing all activities related to subscriber management including installation, billing and support.

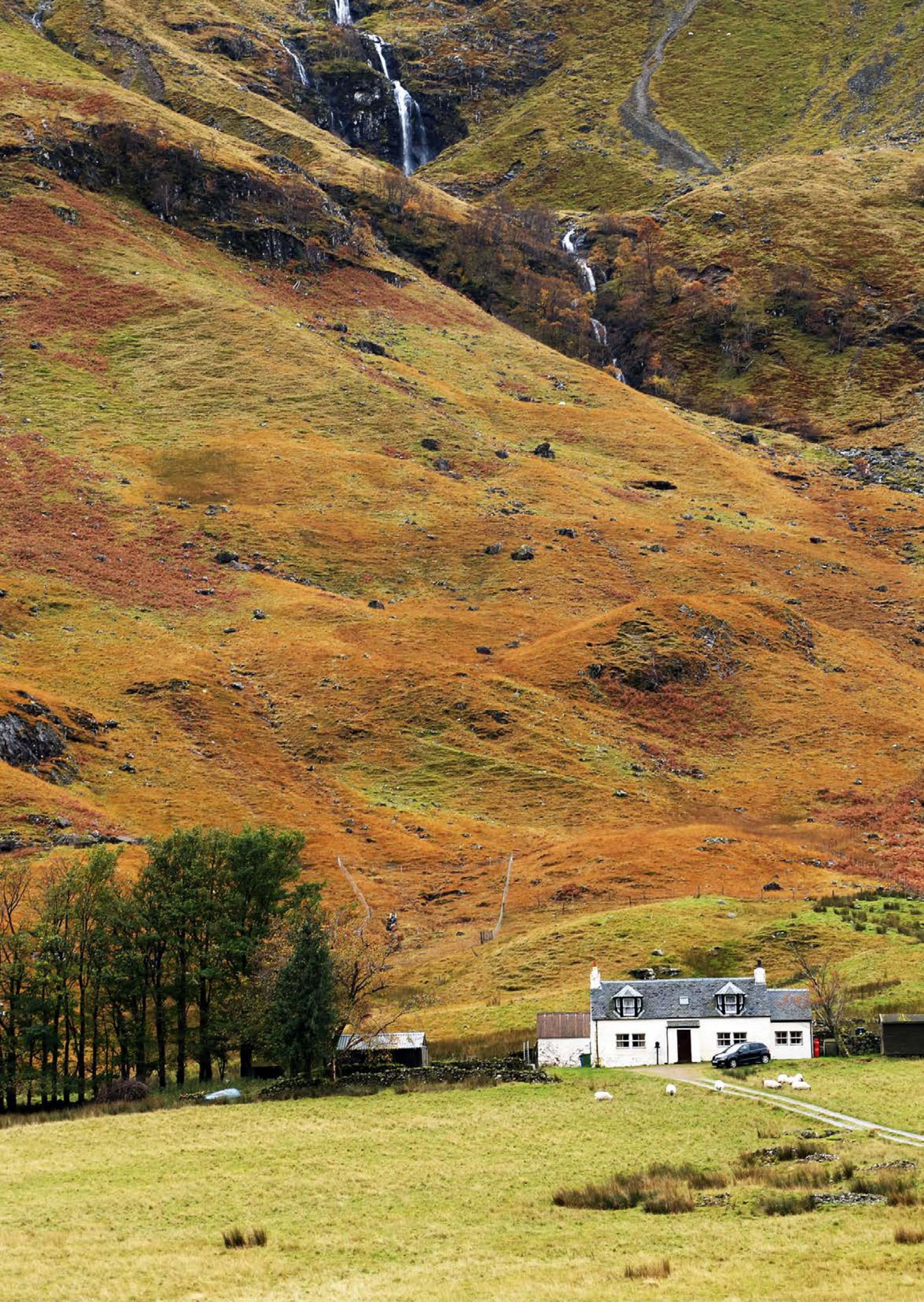
Based on a shared growth model, the Company will be an integral part of EBI's strategy of revitalising the distribution network over its KA-SAT satellite to boost the deployment of internet access via satellite across Europe in line with EU 2020 targets.

Whilst the preferred partner program (PPP) agreement was only signed in December 2018, tangible progress has already been made and the Board expects EBI to contribute significantly to its accelerated organic revenue growth in 2019 and beyond.

Quickline

In January 2019, Quickline, a subsidiary of the Company, acquired 100% of JHCS, for a consideration of £0.3m. JHCS is a wireless network provider that supplies fast broadband to homes and businesses in rural Nottinghamshire and Lincolnshire. The network will be managed by Quickline without any disruption to the service.

Over the years, Quickline has been working hard to bring superfast internet to rural and remote areas, which includes its key role in the development of 5GRIT – the 5G Rural Integrated Testbed. The acquisition of JHCS was an important step in this ongoing mission to deliver fast, reliable and secure broadband to small villages, farms, holiday parks and other sites that are often ignored by larger service providers. By offering speeds of up to 100 Mbps, the company is helping rural businesses enhance the way they operate on a daily basis.



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