



bigblu

Bigblu Broadband plc

Annual Report and Accounts
for the year ended 30 November 2020

A Company Registered in England & Wales No. 09223439



Bigblu connects consumers, businesses and governments to super-fast and ultra-fast broadband via satellite, fixed wireless, 5G and fibre.

Financial highlights - Continuing Group*

TOTAL REVENUE (£m)

£27.2m



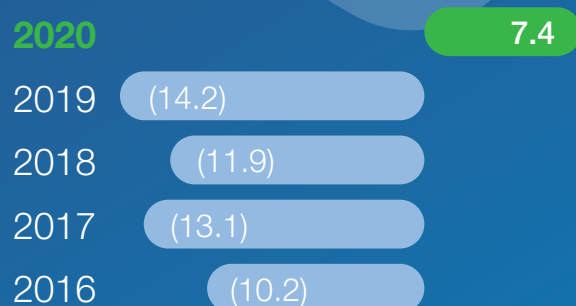
TOTAL ADJUSTED EBITDA (£m)

£6.2m



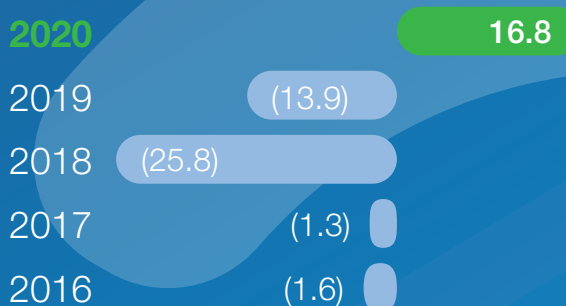
NET CASH / (DEBT) (£m)

£7.4m



BASIC EPS (p)

16.8p



 Read the **Bigblu Broadband plc** snapshot on page 2

* This summary of financial highlights does not form part of the audited financial statements.



Company Overview

Bigblu Broadband plc (AIM: BBB), is a leading provider of alternative super-fast and ultra-fast broadband solutions throughout Australasia, the Nordics and England. BBB delivers a portfolio of super-fast wireless broadband products for consumers and businesses who are typically unserved or underserved by fibre.

The Group has a significant target market in all the territories in which we operate, with c.12m customers having speeds of under 4 Mb.

High levels of recurring revenue, increasing economies of scale and significant government stimulation for alternative broadband solutions in all the countries in which we operate provide a solid foundation for strong organic growth as demand for alternative super-fast broadband services increases.

Acquisitive and organic growth enabled BBB to grow rapidly since inception in 2008 during which time the Group completed 21 acquisitions across nine different countries. In July 2020, BBB announced the conditional sale of its UK and European Satellite business to Eutelsat and completion was on 30 September 2020, offering an excellent return for shareholders whilst providing a key asset for Eutelsat to solidify its position in the European Satellite market. With the remaining businesses, BBB is extremely well positioned to continue growing as its business units continue to focus on customers that are trapped in the 'digital divide' with limited broadband options in its target markets.

BBB continues to provide customers with a full suite of ongoing services, including hardware supply, installation, pre- and post-sale support, whilst offering appropriate tariffs depending on the requirements of each end user in each territory. BBB's range of solutions includes satellite, next generation fixed wireless and 4G/5G delivering between 30 Mbps and 150 Mbps for consumers, and up to 1 Gbps for businesses.

Importantly, as the core technologies evolve, and more affordable capacity is made available, BBB continues to offer ever-increasing speeds and higher data throughputs to satisfy the market. Demand for 'video-on-demand', as well as streaming, covering both video and audio material, will only increase. Our 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.

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COMPANY INFORMATION

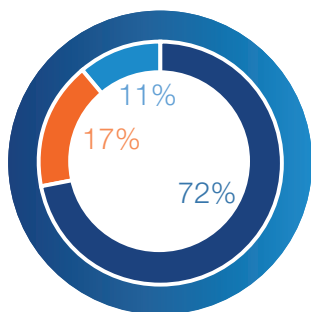
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Company Snapshot

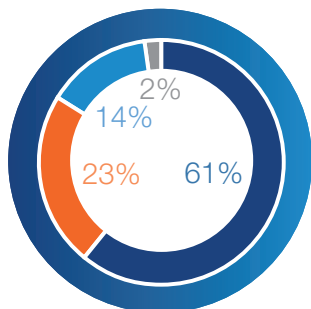
Overview

The Group utilises a number of Key Performance Indicators ('KPIs') to measure performance against our strategy. A description of these KPIs and performance against them for continuing operations is set out below:

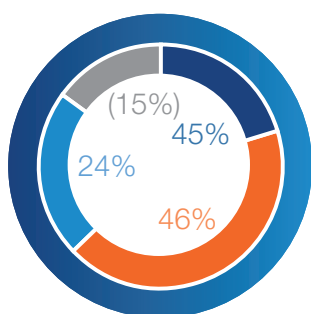
CUSTOMER NUMBERS



REVENUE



ADJUSTED EBITDA



- UK
- Nordics
- Australasia
- PLC

Australasia

CUSTOMER NUMBERS ('000)

46.7

Strong organic customer net growth of 8.6k over the course of the year with launch of Skymuster Plus.

REVENUE (£m)

£16.6m

Increase in revenue of 11% was a result of the continued organic growth in customer numbers and an improved product mix.

ADJUSTED EBITDA (£m)

£2.8m

EBITDA improved by 22% following continued cost efficiencies across the business.

Nordics

CUSTOMER NUMBERS ('000)

11.2

Reduced by 1.7k (13%) due in the main to churned Fixed Wireless customers where Fibre had encroached legacy towers.

REVENUE (£m)

£6.3m

Reduced 26% due to the loss of these customers, and lower grant income than the prior year.

ADJUSTED EBITDA (£m)

£2.9m

Adjusted EBITDA reduced by 3% in the year due to strict overhead cost controls implemented during the year, following the lost fixed wireless customers.

United Kingdom

CUSTOMER NUMBERS ('000)

7.0

Down 11% on prior year with focus on ITT wins.

REVENUE (£m)

£3.7m

Reduced by 9% mainly reflecting a previous BDUK grant (FY19: £0.8m) that was fully amortised in the prior year.

ADJUSTED EBITDA (£m)

£1.5m

Reduced by 6% in the year as we managed to control costs tightly despite the reduced revenue and increased investment prior to winning the ITTs



Australasia



Nordics



United Kingdom



Australian business to retain SkyMesh Brand. Quickline to retain Quickline Brand.

KEY:

 Operational Hub

Chairman's Statement



2020 has been an eventful but positive year for Bigblu Broadband plc (BBB).

64.9k

CUSTOMERS, WITH NET GROWTH UP 6K, OR 10.2%

RECURRING REVENUE

94%

UP FROM 91%

NET CASH OF

£7.4m

FROM A NET DEBT POSITION OF £14.2M

SALE OF DISCONTINUED BUSINESS GENERATING GAIN OF

£18.9m

We started the year with the announcement of a £30m revolving credit facility with Santander Bank UK plc. This was used, in the main, to repay the two tranches of loan notes totalling £12m issued in 2016 by Business Growth Fund ("BGF") (the "Loan Notes"), the Group's £10m revolving credit facility with HSBC plc (the "HSBC Facility") and to provide additional working capital to support the Group. BBB also announced that HSBC would continue to provide a £4m revolving credit facility and operational banking support to the Group's UK fixed wireless subsidiary Quickline Holdings Limited ("Quickline").

The Santander facility is a three-year loan agreement with an option to extend for up to a further two years. Interest terms are on a ratchet to LIBOR according to the Group's net leverage ratio. This replaced, in its entirety, the BGF Loan Notes which bore interest at a fixed coupon, and the HSBC Facility which had an interest charge at a margin relative to LIBOR. As a result, there was a significant reduction in the Group's annual cost of debt and net interest payments.

We thank Santander, BGF and HSBC for their continued support to the Group.

We then entered a worldwide pandemic and as Chairman, despite the enormous challenges on a global scale, I'm pleased at the way we transitioned teams across the countries to home working within 48 hours, a true testament to the investment made in systems and infrastructure, and the way that the Executive team marshalled this incredible challenge. Of great importance throughout was that we continued to provide an excellent service to our customers for which the team must be commended.

2020 was also a pivotal year in the Group's history with the disposal of the Group's UK and European satellite broadband operations (the "Sale Companies") to Eutelsat S.A. ("Eutelsat"). Following completion in September 2020

BBB's remaining operations consist of its Australian operations (SkyMesh Pty Limited), its Nordics business (Bigblu Norge AS), and its majority interest in Quickline (together, the "Continuing Group").

Over the past five years, the Group has successfully executed its strategy of becoming a leading provider of last mile rural broadband solutions in certain European territories through a combined offering of both satellite and fixed wireless products. The Board considered that the success of the Group's expansion of its satellite offering across Europe made its business attractive to operators considering their position in the satellite broadband market in Europe, including the UK.

The Board believed that the disposal provided the Group with the opportunity to crystallise an attractive return on invested capital with respect to the Sale Companies with the maximum consideration payable by Eutelsat to BBB for the Sale Companies representing a premium of approximately 50 per cent over the aggregate consideration paid during the Group's buy and build strategy. This was used to reduce debt substantially and also to provide additional financial flexibility to support the further progress of the Continuing Group. At the same time, we agreed a revised smaller Santander facility of £12m whilst maintaining the HSBC facility to support Quickline.

The highlights of the deal were a maximum aggregate consideration of £39.3m receivable, being £37.8m initial consideration and up to £1.5m of additional consideration. The additional consideration is payable over the course of 12 months following completion, subject to certain conditions. The initial consideration was subject to customary adjustments for cash, debt and a normal level of working capital at the completion date. Based on provisional estimates, an amount of £37.2m was actually

paid in cash on completion as the initial consideration. The process to finalise the completion accounts and determine the balance of the initial consideration and the additional consideration payable remains ongoing. Eutelsat also assumed certain agreed net working capital creditors within the Sale Companies, amounting to approximately £13.9m at the date of the disposal.

The Board will continue to focus on enhancing shareholder value from the Continuing Group, which has significant opportunities for continued growth and value realisation. It will consider further strategic M&A alongside potential returns of capital to shareholders.

Accepting fully that this was a major event for BBB in the period I am very pleased to be able to report another year of growth for the Continuing Group. The highlights are as follows:

- Customer connections ended on c.65k after organic growth of c.6k customers. We have continued to invest in our people and have made significant improvements in our back-end systems, to ensure we are well placed going into 2021 to capitalise on opportunities in our target continuing markets.
- During the year, despite the inevitable distraction of the sale process, we generated good growth in our Continuing business, which resulted in a 4% increase in constant currency like-for-like revenues in the year (2019: increase 3%).
- We ended the year on a very positive note with announcements that Quickline had won three competitive tenders under the BDUK Superfast Programme to provide significantly improved broadband speeds to premises across North Lincolnshire, Lincolnshire and West Yorkshire that are unable to access fast and reliable internet connectivity – the contracted areas. Additionally, on 7 December 2020 we also announced a fourth tender was

awarded with North Yorkshire Local Authority. The total combined network investment will be up to c.£30m to pass these premises, in which the programmes will receive combined subsidies of up to £24m, from the European Agricultural Fund for Rural Development (EAFRD) and funding from the West Yorkshire, Lincolnshire and North Lincolnshire Local Authorities together with BDUK and DEFRA. Quickline is committing c.£6m of network investment to support the roll-out.

The four contracts include a commitment to provide significantly improved network connectivity to initially c.30,000 premises within Quickline’s current footprint using both fixed wireless and full fibre technologies, with a further 100,000 targeted as part of a roll-out. Quickline will also invest further capital in scaling up the organisation, sales and marketing and connecting customers.

“ The Board is focused on maximising value and returns for Shareholders and the combination of balance sheet strength, favourable market dynamics and having valuable business units in their own right provides a strong backdrop for delivering enhanced shareholder value”

Michael Tobin OBE
Chairman



Chairman's Statement

continued

Given the limited connectivity currently available in the contracted areas, Quickline expects to see strong take-up of broadband services, further increasing its addressable market and customer base. Quickline also expects to deliver at least its targeted return on capital of c.15% over the life of the contract.

Quickline is focused on delivering improved broadband connectivity in the rural areas of Northern England, where a significant digital divide remains and up to a million premises are in need of increased broadband speeds. Quickline's heritage is fixed wireless and 5G but its network includes increasing amounts of fibre connectivity. Its aim is to be the leading UK dedicated "Outside-In" rural broadband infrastructure provider, delivering innovative, flexible and hybrid solutions that can address the millions of premises unlikely to be served commercially by full fibre networks for many years to come.

BDUK's £1.7bn Superfast Broadband Programme is being phased out although new contracts have been signed recently and will be supported through to 2026. Going forward, BDUK is adopting an "Outside-In" approach funded by the Chancellor's £5bn commitment to fund gigabit capable deployment in the hardest to reach 20% of the UK. The "Outside-In" approach has two main elements: a Rural Gigabit Voucher Scheme and a Dynamic Purchasing System. Quickline is already an approved supplier and beneficiary of the voucher Scheme which provides up to £1,500 per residential premise and £3,500 per business premise for new gigabit-capable connections in rural areas. Quickline will continue to build new networks and connect customers where these vouchers are available.

The Dynamic Purchasing System (DPS), an electronic system that can be established to purchase goods and services, is expected to be introduced in April 2021 and allows infrastructure

providers to bid for funding to roll out gigabit-capable networks to underserved regions. Quickline is part of the industry consultation into this scheme which has yet to be finalised. However, it is understood that the hardest to reach areas will be divided into lots with an average size of around 3,000 premises and an average subsidy of around £1,000 per premise passed. Quickline is already registered on the scheme and will consider lots as they become available.

Finally, we recognise the importance of gigabit capable networks and the role that full fibre plays in delivering them. However, it is worth noting that in many rural areas of the UK, full fibre will remain too expensive and challenging to deploy even with government support. Quickline's 5G DCMS backed project in North Yorkshire is helping increase understanding as to how 5G enabled fixed wireless could provide a gigabit solution that is both much faster and lower cost to deploy.



As stated in previous years, I am a strong believer that good corporate governance supports a group's long-term success. This is even more important for 2021 and beyond, given the continued growth of the continuing operations, the increased amounts of capital to be invested 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 function well and add value for the Group's Shareholders.

Part of our governance regime is our continued regular communication with Shareholders as our strategy continues to progress. To this end, we embarked upon an inclusive investor relations programme in 2020 and will continue to interact with Shareholders in a regular and proactive manner. This year the AGM will be held on 27 May 2021 and such notice of the AGM will be circulated to Shareholders shortly.

Finally, I would like to thank Andrew Walwyn, his management team and all the staff in the Group for their efforts in 2020. Everyone played their part in a demanding yet successful year in the Group's life. I, and the rest of the Board, fully recognise the uncertain nature that the COVID-19 pandemic brings on a global scale and recognise that the team is working very hard to look after our existing customers and support new customers requiring our service and so continue to look forward to the remainder of 2021 with confidence.



Michael Tobin OBE

Chairman

31 March 2021

* Super-fast is defined as broadband speeds in excess of 30Mbps

** Ultra-fast is defined as broadband speeds in excess of 100Mbps



Chief Executive Report



2020 was a very eventful year for the Group. The focus during the period was putting the Group on an increasingly strong financial footing. This can be seen firstly via our refinancing with Santander and secondly with the disposal of our UK and European satellite assets to Eutelsat, thereby increasing value for Shareholders

ITT WINS OF

c. £30m

AUSTRALASIA EXPANSION INTO
NEW ZEALAND

NORDICS INVESTMENT IN UPGRADE
OF FIXED WIRELESS NETWORK

Overview

2020 was an important year for the Group, and arguably the most important year since listing, with the announced disposal of the Group's UK and European satellite broadband operations to Eutelsat. Following completion in September 2020, BBB's remaining operations consist of our Australasian operations, our Nordics business, and our majority interest in Quickline.

Over the past five years, the Group has successfully executed its strategy of becoming a leading provider of rural broadband solutions in certain European territories through a combined offering of both satellite and fixed wireless products. Our satellite growth was achieved through a mix of acquisitive and organic growth and, as a result, the Group established a visible presence for its satellite broadband offering across Europe, with operations and customers in France, Germany, Greece, Hungary, Ireland, Italy, Norway, Poland, Portugal, Spain, and the UK. The Directors considered that the success of the Group's expansion of its satellite offering across Europe made its operations attractive to network operators considering their position in the satellite broadband market across Europe and the UK. The Group also established a market leading presence in Australasia, via SkyMesh, a strong Nordics presence, and a market leading proposition in the UK with Quickline, all of which remain part of the Continuing Group.

The Directors considered that the Group had created a strong value proposition by combining management experience and core IT systems into four hubs to facilitate integration of all newly acquired businesses. The Group's technical and operating systems enable it to control costs, increase margins and average revenues per user (ARPU). The Directors believed that this created a business with critical mass, a wide geographic reach and an established position across multiple markets. The Group had a long-standing strong relationship with Eutelsat and had been a key partner to Eurobroadband Infrastructure

S.a.r.L, a joint venture between Eutelsat and Viasat, in providing high speed broadband packages to both residential and business users across Europe. The Group's significant physical, customer and brand presence across a number of European markets, including the UK, delivered to Eutelsat, through the acquisition of the sale companies, an enhanced capability in the direct-to-consumer satellite broadband market.

The Directors considered that the disposal represented an attractive opportunity for the Group with a maximum aggregate consideration of £39.3m receivable, being £37.8m initial consideration and up to £1.5m of additional consideration. The additional consideration is payable over the course of 12 months following completion, subject to certain conditions. The initial consideration was subject to customary adjustments for cash, debt and a normal level of working capital at the completion date. Based on provisional estimates, an amount of £37.2m was actually paid in cash on completion as the initial consideration. The process to finalise the completion accounts and determine the balance of the initial consideration and the additional consideration payable remains ongoing. Eutelsat also assumed certain agreed net working capital creditors within the Sale Companies, amounting to approximately £13.9m at the date of the disposal. The Board believed that the terms of the disposal represented an attractive value for Shareholders.

For the year ended 30 November 2020, the Sale Companies generated pro-forma revenue of approximately £25.2m up to the date of sale at the end of September 2020, along with an adjusted pro forma EBITDA of approximately £1.7m in the period prior to disposal. Combined, the Sale Companies accounted for over 49k customers.

Given the strength of the balance sheet, as a result of receipt of the proceeds of the disposal, the Board remains focused on delivering further increases in shareholder value from its Continuing Operations.

A Review of our Continuing Operations:

AUSTRALASIA

Our Australian business SkyMesh, went from strength to strength with year-on-year overall customer growth of approximately 21% and, of equal importance, strong customer engagement with 40% of new customers coming from word of mouth and a net promoter score of 44, up from 36 year on year, and against an average competitor score of 25. During the year, SkyMesh was also awarded the Whistleout 2020 Best Satellite NBN Co provider. We further reinforced our close working relationship with NBN Co as it pro-actively extended the use of satellite in regional and remote Australia.

NORDICS

After a period of investment and focus on building the Satellite business with our partner EBI, following the disposal, the Board continues to evaluate the opportunity to refine and enhance the Group's service proposition in the Nordic market. Initiatives considered and acted upon included recruiting a Sales and Marketing Director for the Nordics. In addition to the launch of new satellite offerings across the region offering speeds of 50Mbps and unlimited capacity, the Group increased investment in the upgrade of its fixed wireless network. The Directors consider that the Group's ability to offer FWA (Fixed Wireless Access) and satellite solutions in the Nordics means that there is potentially significant scope to expand its presence and reach in this region and create Shareholder value.

QUICKLINE

Quickline, the UK's market leading rural fixed wireless operator, which we retain a majority interest in, has performed well since acquisition. We are now at the forefront of broadband technology developments to deliver fixed wireless services, with fibre like performance. The market opportunity for a fibre backed fixed wireless network roll-out is meaningful with significant investment in the space, including government

support. This will enable many more homes and businesses to get connected to next generation super-fast and ultra-fast broadband sooner and cheaper than before. We were therefore delighted to win four competitive tenders under the BDUK Superfast Programme to provide significantly improved broadband speeds to premises across North Lincolnshire, Lincolnshire, West Yorkshire and North Yorkshire, that are unable to access fast and reliable internet connectivity. The programmes will receive combined subsidies of around £24m and Quickline will commit £6m of investment to support the network roll-out. Throughout the year the management team has been strengthened and investment has been made in new systems to support the future growth and position the business as a market leader in the roll-out of FWA and fibre infrastructure.

Continuing Operations

Net organic customer growth in 2020 showed a year-on-year increase of c.6k (FY19 net organic growth c.3.8k) resulting in a closing continuing customer base of c.65k compared to FY19 (c.59k).

Total revenue, including recurring airtime and other income (equipment sales, installation sales grant and voucher income and network support) covering continuing operations for 12 months, shows a solid underlying performance of £27.2m (FY19: £26.8m).

Revenue in satellite was £17.2m, up on prior year by 15% (FY19: £14.9m) due to strong customer growth in Australasia. Revenue in fixed wireless was £10.0m, down on prior year by 16% (FY19: £11.9m) due in the main to churn in the Nordics and focus within the Quickline team on securing Government contracts and the timing of recent grants in the UK.

Recurring revenue, defined as revenue generated from the Group's broadband airtime, which is typically linked to contracts, at £25.6m represented 94% of total revenue (FY19 £24.3m represented 91% of total revenue).

Average Revenue Per User ("ARPU") decreased 4.4% year on year to £36.85 (FY19: £38.57) due in the main to discounting packages across the regions during COVID-19. Average customer churn increased fractionally to 22.6% (FY19: 22.1%) in the main due to fixed wireless churn in the Nordics.

Adjusted EBITDA for the period was £6.2m, showing a solid underlying performance, and representing an adjusted EBITDA margin of 23% compared to £4.8m in FY19 and an adjusted EBITDA margin of 18%. This continues to demonstrate the good progress made in driving the quality of the consumer offering, the margin review work being undertaken and improving cost efficiencies.

Importantly, the Group met both its internal and the market expectations for its revenue and EBITDA targets for Continuing Operations, despite the global challenges posed by COVID-19.

The Continuing Group

Following the Disposal, the Continuing Group has three distinct businesses with c.65k customer connections and given their respective strengths, each of the business units has potential opportunities to enhance Shareholder value.

AUSTRALASIA

SkyMesh is a leading Australian satellite broadband service provider. It has over 45k customers in total and continues to grow rapidly, targeting 10k new customers per annum through organic channels.

The Board has been exploring the opportunity to accelerate the Company's presence into the wider Australasia region, with New Zealand being the initial area of focus. It was therefore delighted to announce the agreement with Kacific Broadband which has provided SkyMesh with the opportunity to expand its reach into New Zealand.

Chief Executive Report

continued

NORDICS

The Nordics business has been focused on growing the Norwegian satellite market as there has been limited investment by the Group in improving the fixed wireless network over the last couple of years. There have been relatively high levels of customer churn in this region due, in part, in the view of the Directors, to relatively low broadband speeds where legacy infrastructure exists.

Following the disposal, the Board continues to evaluate the opportunity to improve its offering and proposition into the Nordic market. This includes the launch of new product satellite offerings across the region, offering speeds of 50Mbps and unlimited capacity.

The Directors consider that the Group's ability to offer FWA and satellite solutions in the Nordics means that there is potentially significant scope to expand its presence and reach in this region. The suite of competitive offerings and growing demand for working from home solutions means that the target market continues to increase in size.

UK

The Quickline Group is one of the UK's leading rural broadband fixed wireless operators and BBB currently has a shareholding of 56.9 per cent in Quickline.

Quickline was delighted to secure four significant tender wins after a period of intense focus which provided the Company with an excellent endorsement of its offering and the opportunity to provide significantly improved connectivity to around 30,000 premises. Quickline builds and operates its own fixed wireless access network, supported by increasing amounts of fibre infrastructure where appropriate, avoiding the high cost, lengthy build periods and actual practicalities of delivering a full fibre solution to all rural settings.

The Directors consider that the 'digital divide' in the UK is driving the need for government and local authority support with around a million homes still unable

to receive superfast broadband services and around 12.4 million homes unable to access ultra-fast speeds. There are various government programmes to address this digital divide which are overseen by Building Digital UK (BDUK), part of the Department for Digital, Culture, Media & Sport (DCMS). These include the £1.7bn Superfast Broadband Programme that is committed to run until 2026 and the £200m Rural Gigabit Connectivity Programme. In May 2019, the Chancellor also announced a £5bn commitment to fund gigabit-capable deployment in the hardest to reach 20 per cent. through the 'Outside-In' approach. In March 2021, the DCMS announced its "Project Gigabit-Phase 1 Delivery Plan" which details the approach to the deployment of this £5bn commitment. Importantly, the DCMS confirmed that its procurements will be technology neutral and focused on gigabit capable technologies, consistent with Quickline's hybrid approach.

The addition of Sean Royce as CEO further strengthens Quickline's growth potential. Sean spent over 18 years at KCOM Group, the UK communications provider, in various senior executive roles and where he was recently Managing Director of KCOM's Hull and East Yorkshire business.

Steve Jagger, founder of Quickline, will remain full-time on the Board as Founder and Chief Technology Officer, with a strategic focus on building on the roll-out and development of Quickline's fibre and 5G technology. Steve has been pivotal to the business's success and will continue to build on the strong momentum made to date.

Accelerating Technology Evolution PRODUCTS

Our fixed wireless businesses have been benefiting from significant advances in technology, improving speeds and throughput. In the UK as part of the ITT (Invitation to Tender) contracts that it has won, Quickline will be rolling out 5G technology alongside licenced spectrum so as to provide for a gigabit capable network and customer products with

speeds well in excess of 100 Mbps. The objective is for the Quickline network to have a full 5G fibre core with fibre backhaul to the mast and provide for full fibre to the premises where it is required.

Across Australasia, SkyMesh expects to be able to offer a fibre like service via satellite from the sky, with 100 Mbps download speeds and unlimited data allowances across its key territories over the next couple of years with the launch of significant new satellite capacity.

Marketing

We use a digital-first strategy to both acquire and retain new and existing customers. For customer acquisition, we target in-market prospects based on geography, broadband speed and purchase intent. Channels used vary depending on in-country results, blending Facebook, Google, Bing and lead-generation partners in order to achieve our internal KPIs in terms of cost per lead and cost per activation. We deploy a suite of engaging content from ad copy, through to static display ads and video. Most important of all is word of mouth or customer referral, hence the importance of looking after our existing customers as clearly demonstrated in our Australasian business.

Continued Government Support

We remain focused on helping governments across the United Kingdom and further afield achieve their targets of delivering ultra-fast and gigabit capable broadband connections nationwide.

We remain convinced that it will be difficult for governments to meet these challenging targets without the use of alternative technologies such as fixed wireless broadband. Indeed, many governments have already launched intervention schemes. These are aimed at stimulating the market and educating consumers about the options available to them - given that fixed fibre broadband to the premises is unlikely to become a reality for many customers.

Quickline became one of a select few companies that have been awarded Superfast contracts by BDUK and Local

Authorities in the year. The DCMS/BDUK programme is in place to support the roll-out of gigabit-capable networks in the 20% of the country where it would otherwise not be commercially viable, and the UK government has provided a £5bn commitment to support this programme which will include funding only available to existing Superfast contracts alongside further ITTs and vouchers.

A similar scheme exists in Australia, where SkyMesh commanded a 50% market share of net new adds under the Government funded NBN Co scheme during the last six months of the financial period. This performance has continued into Q1 FY21.

Carbon Reporting

Large UK companies are required to report their levels of greenhouse gases (GHG) emissions in their annual report and accounts. This obligation is for Scope 1 (direct) and Scope 2 (indirect) emissions, only to the extent that emissions are the responsibility of the Company. Direct emissions originate from combustion of natural gas and transportation, whilst indirect emissions are based on purchased electricity.

Emissions are calculated following the UK Government GHG Conversion Factors for Group Reporting 2020 and UK Government Environmental Reporting Guidelines. Emissions are based on the Group's global sales and operations. An intensity ratio of carbon dioxide equivalent (CO₂e) per £1m of revenue has been selected which will allow a comparison of performance over the time and with other similar types of businesses.

Source of Emissions	2020 Tonnes CO ₂ e
Direct Emissions – Scope 1 – Gas and Transport	15
Indirect Emissions – Scope 2 – Electricity	53
Gross Emissions	68
Turnover – UK £m	3.7
Tonnes CO ₂ e per £1m of revenue	18

We are currently reviewing ways to address the emissions which are typically higher in the initial stages of infrastructure build but reduced significantly once completed.

Post Balance Sheet Events

We highlight the following post balance sheet events:

On 7 December 2020, BBB announced that its majority owned subsidiary Quickline had won a further competitive tender to provide significantly improved broadband speeds to premises across North Yorkshire that are unable to access fast and reliable internet connectivity. At the same time, Quickline received a further £2m investment from external Shareholders, to fund its growth. This had the effect of reducing BBB's controlling interest to 56.9%.

On 8 February 2021, BBB announced that its Australian subsidiary, SkyMesh, had signed an important Partner Agreement with leading next-generation Asia Pacific broadband satellite operator Kacific Broadband Satellites Group to provide a high-speed broadband internet service initially across New Zealand.

On 30 March 2021, Quickline announced that Sean Royce will join the Quickline board as CEO on 4 May 2021. Sean brings a wealth of experience to the business and will further develop its growth strategy and focus on establishing Quickline as a leading provider of rural broadband services across Northern England and beyond. Steve Jagger, founder of Quickline, will remain full-time on the Board as Founder and Chief Technology Officer, with a strategic focus on building on the roll-out and development of Quickline's fibre and 5G technology.

Current Trading

The Group has positioned itself at the forefront of the alternative super-fast and ultra-fast broadband industry in its chosen markets. Even post the disposal, the Group's product portfolio and expanding routes to market mean that it remains one of the largest and most recognised companies in the industry.

During the current year to date, the Group has continued to show year on year growth whilst still benefiting from the strong visibility afforded by the high percentage of recurring revenues. Our robust model and sturdy infrastructure continue to underpin year on year growth in customers and average revenues per user.

In the current environment, whilst we are clearly dealing with unprecedented events, we continue to monitor potential impacts on the business of COVID-19, and we continue to support staff and customers during these difficult times.

We develop products and solutions with our network partners that will enable customers to operate as effectively as possible, particularly at a time where increasing numbers of customers are likely to be working from home.

The Board believes that the Group has, in its Continuing Operations, valuable assets that have established a meaningful market position in each of their respective territories and the Board therefore believes that it is well positioned to ensure it can continue to focus on maximising and delivering enhanced Shareholder value.



Andrew Walwyn

CEO

31 March 2021

Financial Review



2020 was a momentous year for the Group.

LIKE FOR LIKE REVENUE GROWTH ON A CONSTANT CURRENCY BASIS OF

4.3%

GROSS MARGIN AT

49%

ADJUSTED EBITDA UP 29% AT

£6.2m

FOR THE CONTINUING BUSINESS

ADJUSTED OPERATING CASH INFLOW OF

£3.8m

We started the financial period refinancing all of our historic debt facilities, with a new £30m revolving credit facility from Santander Bank UK plc.

In July 2020, we announced the conditional disposal of the Group's UK and European satellite broadband operations (the "Sale Companies") to Eutelsat S.A. ("Eutelsat"). This process completed successfully in September 2020 following the resolution being passed at the General Meeting, approval being obtained from the Australian Foreign Investment Review Board in respect of the proposed transfer of the entire issued share capital of SkyMesh Pty Limited to the Group as part of the pre-sale reorganisation and the Italian government approving the change of control of Opensky S.p.a pursuant to the disposal.

BBB's Continuing operations post the disposal consist of our Australasian operations (SkyMesh Pty Limited), our Nordics business (Biglu Norge AS) and our majority interest in Quickline (Quickline Holdings Limited), (together, the "Continuing Group").

The financial review will therefore focus primarily on the performance of the Continuing Group.

Financial Review TOTAL RESULTS - INCLUDING CONTINUING AND DISCONTINUED OPERATIONS

Total revenue including recurring airtime and other income (including equipment sales, installation sales grant and voucher income and network support) covering continuing operations for 12 months and discontinued operations to the date of disposal, ten months, was £52.4m (FY19: £62.1m).

Adjusted EBITDA covering continuing operations for 12 months and discontinued operations for ten months to the date of disposal was £7.9m (FY19: £11.7m), representing an adjusted EBITDA margin of 15.2% (FY19: 17.9%).

Depreciation increased to £5.6m in FY20 from £4.6m in FY19 as a result of increased purchase of assets in the core UK and European regions.

Amortisation reduced to £1.6m in FY20 from £4.1m in FY19. FY19 included a one-off impairment of £3m for Avonline (a discontinued subsidiary), and in FY20 we made a decision to impair our investment in JHCS by £0.2m as this is now fully integrated into the books and operations of Quickline.

Finance costs were £7.1m in FY20 with £0.2m relating to the discontinued business, up £4.5m on FY19 (FY19: £2.6m). This increase included the repayment of the Company's BGF redemption premium following the refinancing. The total amount repaid in the period was £5.5m of which there was a charge in the period of £3.2m (up £2.3m on prior year). There was a BGF share option charge of £1.0m as part of the refinancing, and penalty interest due to the early settlement of the BGF loan and HSBC RCF was £1.5m. These exceptional costs were offset by lower underlying interest on the RCF, which fell by £0.3m to £1.5m in FY20, from £1.8m on a like for like basis.

Financial Review - Continuing Operations

KEY PERFORMANCE INDICATORS FOR CONTINUING OPERATIONS

The Group utilises a number of Key Performance Indicators (“KPIs”) to measure performance against our strategy. A description of these KPIs and performance against them for continuing operations is set out below.

KPI	2020	2019	DESCRIPTION	2020 PERFORMANCE
Customer Base	64,918	58,891	Represents total gross organic connections plus acquisitions less disposals, less lost customers (churn) and base management since inception.	10% increase.
Customer Net Organic Connections	6,027	3,885	Represents gross organic connections in the period less lost customers (churn) in the period	Significant improvement in performance year on year – c.55% increase.
Churn	22.6%	22.1%	Defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period.	This was mainly in our Nordics business where market conditions became more competitive, and Fibre continued to be rolled out across the region resulting in churn at 31% in Norway.
ARPU	£36.85	£38.57	Calculated by dividing total revenues from all sources by the average customer base.	Lower due in the main to the loss of higher ARPU fixed Wireless customers in the Nordics.
Like for Like Revenue Growth	£27.2m	£26.0m	Like for like (“LFL”) revenue treat acquired/disposed businesses as if they were owned for the same period across both the current and prior year and adjusts for constant currency and changes in the commercials of the PPP contract and accounting treatment for grants.	LFL revenues in 2019 were £26.0m, after £0.8m of currency movements which would result in a 4.3% increase LFL revenues of £1.2m on a constant currency basis.
Adjusted EBITDA Adjusted EBITDA margin %	£6.2m 23.0%	£4.8m 17.9%	Earnings before share-based payments, depreciation, intangible amortisation, impairment costs, acquisition costs, one-off 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.	EBITDA growth of 29.7% driven by organic revenue growth and driving cost efficiencies.

Financial Review

continued

KPI	2020	2019	DESCRIPTION	2020 PERFORMANCE
Adjusted Operating Cash Flow - Continuing Operations	£3.8m	£0.7m	Adjusted 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.	Adjusted operating cash inflow due to increased EBITDA, offset by a working capital movement.
Adjusted Free Cash Flow – Continuing Operations	(£3.1m)	(£3.7m)	Cash (used)/generated by the Group after investment in capital expenditure and servicing debt.	Adjusted free cash flow improved in year following improvements in EBITDA and working capital. There was capital expenditure in the year of £5.6m, up £3.4m on FY19, reflecting the start of the ITT contracts in the UK.
Adjusted EPS*	2.7p	(0.1p)	Adjusted earnings per share (EPS) is the portion of the Continued business's profit (£9.6m) less the exceptional gain on the disposal (£14.4m) and exceptional costs (£6.2m) divided by the weighted average number of shares.	Adjusted EPS (continuing business) during the year was a profit of 2.7p in 2020 compared to a loss of 0.1p in 2019. Improved due to improvements in underlying trading performance and lower underlying interest.

* Basic EPS, based on the continued and discontinued business shows a profit of 16.8p in the year (FY19: loss 13.9p).

Total customers at the period end including in flight customers for continuing operations were c.65k (FY19: c.59k). During the year we delivered c.6k net adds (FY19: c.3.8k) This is summarised as follows:

	FY20 000	FY19 000	Comments
Organic			
Opening base	58.9	54.0	
Inflight customers	0.8	0.8	
Gross adds	19.0	14.9	28% increase
Churn	(13.8)	(11.9)	16% increase
Net growth	6.0	3.8	
M&A	0.0	1.1	Being acquisition of JHCS in FY19
Closing base	64.9	58.9	

Churn rates (defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period) increased to an average annualised churn rate of 22.6% in FY20 (FY19: 22.1%). This was mainly in our Nordics business where market conditions became more competitive, and Fibre continued to be rolled out across the region, resulting in churn at c.31%. In the first three months of FY21, churn remains at a similar level, and importantly we are starting to see it reduce as we roll out next generation products, demount old infrastructure and rationalise customers as appropriate.

Continuing Operations - Revenue

Total revenue on a like for like constant currency basis increased in the year by 4.3%, (FY19: increase 3%) as the Group continued to add net new customers during the year.

Total revenue, including recurring airtime and other income (equipment sales, installation sales grant and voucher income and network support) covering continuing operations for 12 months was £27.2m (FY19: £26.8m).

ARPU, calculated by dividing total revenues from all sources by the average customer base, in 2020 was £36.85 per month (FY19: £38.57) due in the main to the loss of higher ARPU fixed wireless customers in Norway.

Revenue in the period from satellite was £17.2m (FY19: £14.9m) which reflected continued strong organic growth in our Australian business, and revenue from fixed wireless was £10.0m (FY19: £11.9m), due to the increased

churn from our Nordics and UK fixed wireless businesses and huge focus and deployment of resources on securing the recent ITT wins.

Recurring revenue, defined as revenue generated from the Group's broadband airtime, which is typically linked to contracts and monthly subscriptions, was £25.6m in the period, representing 94% of total continuing revenue (FY19 £24.3m representing 91% of total revenue).

Continuing Operations - Margins and Profitability

Gross profit margins remained constant year on year at c 49%. During the year we supported customers with special offers as a result of COVID-19, however, with the continued focus on improved product sales mix and additional high margin other income, including data packages and grant income, we maintained margins.

Distribution and administrative expenses, post items identified as exceptional in nature, increased to £11.2m (FY19: £10.4m) representing 41% of revenue (FY19: 37%) due to increased exceptional costs and costs in Quickline where there was significant investment in headcount and systems prior to the ITT wins.

Adjusted EBITDA (before share-based payments and specific items relating to refinancing, fundraising, M&A, integration and the establishment of the network partnerships) for the period was £6.2m representing an adjusted EBITDA margin of 23.0% compared to £4.8m in FY19 and an adjusted EBITDA margin of 17.9%. This growth in EBITDA of 29.7% was delivered through the continued growth in customer connections, along with continued operational expenditure cost efficiencies across all regions flowing through to EBITDA.

Continuing Operations Analysis

A reconciliation of the adjusted EBITDA to adjusted PAT of £1.3m (FY19: £0.3m profit) is shown below:

		2020 £000	2019 £000
Adjusted EBITDA	1	6,238	4,810
Depreciation	2	(2,819)	(2,574)
Amortisation	3	(282)	(612)
Amortisation adjustment		-	788
Adjusted EBIT		3,137	2,412
Share-based payments		(332)	(437)
Continuing Operations operating profit – pre-exceptional items		2,805	1,975
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	4	(447)	(981)
Exceptional income and credit	5	-	1,739
Continuing Operations statutory operating profit – post exceptional items		2,358	2,733
Adjusted EBIT		3,137	2,412
Underlying interest		(1,521)	(1,842)
Tax charge		(316)	(262)
Adjusted PAT		1,300	308

Financial Review

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Group Statutory Results and EBITDA Reconciliation

1. Adjusted EBITDA (before share-based payments, depreciation, intangible amortisation, impairment of goodwill, refinancing, fundraising, acquisition, employee related costs, deal related costs and start-up costs) improved to £6.2m (FY19: £4.8m) as a consequence of continuously adding new customers in the period and a relentless focus on driving cost efficiencies in the business.
2. Depreciation increased to £2.8m in FY20 from £2.6m in FY19 due in the main to ITT infrastructure investment in Quickline in the final quarter of the year amounting to £3.7m (of the £5.6m total capital expenditure in the period), with a corresponding depreciation charge of £0.2m.
3. Underlying amortisation reduced to £0.3m from £0.6m in FY 19 as a result of lower amortisation on acquisitions now fully written down. In the year, a decision was made to impair a small UK acquisition made in FY19 by £0.2m, namely JHCS. In FY19 there was a £0.8m credit relating to an accumulated amortisation adjustment arising on consolidation of subsidiaries. During the year, we undertook a full review of acquisitions and the carrying value of goodwill and there was no further impairment required.
4. The Group incurred limited expenses in the period, that are considered exceptional in nature and appropriate to identify. These comprise:
 - a. £0.4m (FY19: £0.6m) of acquisition, deal, legal and other costs relating to the refinancing, and M&A activities, during the period. These costs comprise mainly professional and legal fees.
 - b. £nil (FY19: £0.4m) employee termination and redundancy.
 - c. £0.1m (FY19: £nil) of specific set-up costs incurred in relation to the ITT contracts.
5. Exceptional income in the prior year mainly relates to an adjustment to goodwill (£0.8m) on consolidation and the sale of the fibre customers in SkyMesh (£0.9m).

Customer Connections, Revenue, Adjusted EBITDA in FY20 and the comparative period for continuing operations is segmented by the following categories as follows:

	Customer Connections				Revenue		Adjusted EBITDA	
	2020 Number 000's	%	2019 Number 000's	%	2020 £m	2019 £m	2020 £m	2019 £m
Australia	46.7	72%	38.1	65%	16.6	14.1	2.8	2.3
Norway	11.2	17%	12.9	22%	6.3	8.4	2.9	3.0
UK	7.0	11%	7.9	13%	3.7	4.3	1.5	1.6
Pre-Central	64.9	100%	58.9	100%	26.6	26.8	7.2	6.9
Central revenue and costs ¹	-		-		0.6	-	(1.0)	(2.1)
Total	64.9	100%	58.9	100%	27.2	26.8	6.2	4.8

¹ Central revenue includes recharges to Eutelsat for post-sale services and central costs include finance, IT, HR and plc costs.

	Customer Connections by Technology							
	2020 Satellite 000's	2020 Fixed Wireless 000's	2020 Total 000's	%	2019 Satellite 000's	2019 Fixed Wireless 000's	2019 Total 000's	%
Australia	40.1	6.6	46.7	72%	33.1	5.0	38.1	65%
Norway	2.3	8.9	11.2	17%	2.6	10.3	12.9	22%
UK	-	7.0	7.0	11%	-	7.9	7.9	13%
Total	42.4	22.5	64.9	100%	35.7	23.2	58.9	100%

From the above analysis for Continuing Operations year on year movements from a Customers, Revenue, Adjusted EBITDA and product mix perspective are analysed as follows:

1. Australasia

- a. Strong organic customer net growth of 8.6k over the course of the year with launch of Sky Muster Plus
- b. The increase in revenue of £2.5m was a result of the continued organic growth in customer numbers and an improved product mix.
- c. Importantly, EBITDA improved by 22% following continued cost efficiencies across the Company.

2. Norway

- a. Customer numbers reduced by 1.7k due in the main to churned Fixed Wireless customers where Fibre had encroached legacy towers.
- b. Consequently, revenue in the year reduced £2.1m due to the loss of these customers, and lower grant income than the prior year of £0.2m.
- c. Notwithstanding the above, adjusted EBITDA reduced by only £0.1m in the year due to strict overhead cost controls implemented during the year.

3. UK

- a. Customer numbers reduced by 0.9k in the year reflecting mainly base management associated with two wholesale customers together with increased churn which occurred prior to the ITTs being won.
- b. Revenue in fixed wireless in FY20 reduced by 9% mainly reflecting a previous BDUK grant (FY19: £0.8m) that was fully amortised in the prior year. Quickline is already experiencing a sharp rebound in revenues in the current year as it rolls out the new ITT infrastructure.
- c. Adjusted EBITDA reduced by only £0.1m in the year as we managed to control costs tightly despite the reduced revenue and increased investment prior to winning the ITTs.

Cashflow Performance – Continuing Operations

The underlying cash flow performance analysis seeks to clearly identify underlying cash generation within the Continuing Group, discontinued operations and separately identify the cash impact of refinancing, identified exceptional items including refinancing, fundraising M&A activity cash costs and is presented as follows:

	Note	2020 £000	2019 £000
Adjusted EBITDA		6,238	4,810
Release of grant	1	(772)	(1,051)
Underlying movement of working capital	2	(542)	(2,160)
Forex and other non-cash items	3	(1,112)	(879)
Adjusted operating cash inflow before interest, tax Capex and exceptional items	4	3,812	720
Tax and interest paid	5	(1,387)	(2,273)
Purchase of assets	6	(5,568)	(2,165)
Adjusted free cash outflow before exceptional and M&A items		(3,143)	(3,718)
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	7	(447)	(981)
Underlying free cash outflow after exceptional and M&A items		(3,590)	(4,699)
Investing activities	8	37,095	(598)
Movement in cash from discontinued operations	9	(1,837)	273
Movement in working capital from discontinued operations	10	(4,485)	-
Financing activities	11	(17,866)	5,946
Increase in cash balances		9,317	922

Financial Review

continued

1. Release of deferred grant income to revenue in the year £0.8m (FY19: £1.1m)
2. Underlying movement in working capital was an outflow of £0.5m (FY19: outflow £2.2m). Working capital benefitted from an increase in creditors as a result of the agreed deferred payment of creditors at the year end.
3. Forex and non-cash outflow of £1.1m (FY19: outflow £0.9m) relate to the exchange movement in the Condensed consolidated statement of comprehensive income and the Condensed consolidated statement of financial position, as well as costs/income where there is no impact on operating cashflow.
4. This resulted in an adjusted operating cash flow before Interest, Tax, Capital expenditure and Exceptional items of £3.8m inflow (FY19: £0.7m inflow), and an adjusted operating cash flow to EBITDA conversion of 61% (FY19: 15%).
5. Tax and interest paid was £1.4m (FY19: £2.3m) on a like for like basis. The settlement of the BGF redemption premium (£5.5m, and the BGF penalty interest (£1.2m), which is included in the interest charge in the Statement of Comprehensive Income is regarded as an exceptional cash payment.
6. Purchase of assets in FY20 were £5.6m. These purchases covered the fixed wireless investment of £5.4m, as well as installations and IT costs of £0.2m.
7. Exceptional items relating to refinancing, fundraising, M&A, integration, and the establishment of network partnerships of £0.4m (FY19: £1.0m) is net of non-cash exceptional items including provisions made in accordance with IAS 37 which are expected to be incurred in 2021.
8. Sales proceeds from the disposal of subsidiaries was £37.2m less the purchase of intangibles in FY20 of £0.1m compared to £0.6m in FY19 due to less M&A activity.
9. Relates to the total amount of cash in the year that covered the discontinued operations and was transferred as part of the sale.
10. Relates to the written down value of the intercompany between BBB and the discontinued operations (£4.0m) and additional consideration on the income relating to future receipts in association with the sale.
11. In FY20 the major financing activities amounted to an outflow of £17.9m (FY19: inflow £5.9m) and related to the following:
 - Company drew down £29.4m from the RCF with Santander relating to a refinancing of external debt, to repay the HSBC plc RCF (£8.25m) and the BGF loan notes (£12.0m). A further £21m was repaid to Santander after disposal of the subsidiaries
 - £2.0m, net, was received from further investment by the non-controlling interests of Quickline
 - The Principal element of lease payments was an outflow of £1.4m
 - The payment of the BGF redemption premium was an outflow of £5.5m
 - The payment of the BGF penalty interest was an outflow of £1.2m

This resulted in an adjusted Free Cash Flow in the year being an outflow of £3.1m (FY19: outflow £3.7m)



Net Debt to Net Cash Reconciliation

	2020 £000	2019 £000
Opening Net Debt	(14,198)	(11,912)
Profit/(loss) after tax from Continuing operations	(4,917)	(109)
Interest charge	6,959	2,580
Depreciation	2,819	2,574
Amortisation	282	(176)
Tax charge	316	262
Share-based payments	332	437
Exceptional costs	447	(758)
Adjusted EBITDA	6,238	4,810
Release of grants	(772)	(1,051)
Forex movement and other non-cash	(1,112)	(879)
Movement in working capital	(542)	(2,160)
Cash inflow from Continuing operations	3,812	720
Interest paid	(1,311)	(2,273)
Tax paid	(76)	-
Underlying inflow / (outflow) from Continuing operations	2,425	(1,553)
Purchase of assets	(5,568)	(2,165)
Adjusted outflow Continuing operations free cash flow	(3,143)	(3,718)
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	(447)	(981)
Adjusted free cash outflow after exceptional and M&A items	(3,590)	(4,699)
Investment activities (pre cash used and retained by discontinued operations)	37,095	(598)
Movement in working capital from discontinued operations	(4,485)	-
Financing activities	(17,866)	5,946
Movement in cash from Continuing operations	11,154	649
(Outflow) / Inflow in cash from discontinued operations	(1,837)	273
Movement in cash	9,317	922
Decrease / (increase) in debt	12,300	(3,208)
Closing net cash / (debt)	7,419	(14,198)



Financial Review

continued

Cash and net debt for the overall Group is further analysed as follows:

	2020 £000	2019 £000
Opening net debt	(14,198)	(11,912)
Facilities received	(29,400)	(3,350)
Facilities repaid	41,700	142
Movement in cash	9,317	922
Movement in net cash / (debt)	21,617	(2,286)
Closing net cash / (debt)	7,419	(14,198)
Composition of closing net debt		
Net cash and cash equivalents	15,306	5,989
Bank loans	(7,877)	(8,250)
BGF loan	-	(11,728)
Other loans / finance leases	(10)	(209)
Net cash / (debt)	7,419	(14,198)
Adjusted net cash (debt) / EBITDA	1.24x	(1.39x)
Adjusted net cash (debt) inc IFRS16 / EBITDA	0.48x	(1.70x)

Net debt reduced from £14.2m in FY19 to a net cash position of £7.4m, a movement of £21.6m in the year. Cash increased by £9.3m and debt reduced by £12.3m.

The table above excludes the lease liabilities of £3.6m (FY19: £5.7m) recognised for the first time in 2019 after the adoption of IFRS 16. Including this amount would give a total net cash of £3.8m (FY19: net debt £19.9m) and a ratio of net cash to adjusted Group EBITDA before IFRS 16 of 0.48x (FY19: net debt 1.70x).

Applying Santander's measure of financial leverage, the Group's year-end net cash to EBITDA ratio was 1.24x, improving from a net debt to EBITDA ratio of (1.39x) at the previous year-end.



Consolidated Statement of Financial Position

There was a step change in the balance sheet following the disposal of the Group's UK and European satellite broadband operations to Eutelsat S.A. Following completion in September 2020 BBB's remaining operations consist of its Australasian operations, its Nordics business and its majority interest in Quickline in the UK.

Fixed assets reduced in the year to £10.9m (FY19: £15.9m), following the sale of assets within the discontinued business (£10.4m) and the purchase of new fixed assets (£10.9m), adjusted for depreciation, provided in the year (£5.6m) and foreign exchange movements (£0.1m).

Intangible assets decreased to £12.0m (FY19: £29.4m) following the sale of the discontinued business and underlying amortisation of £0.1m in FY20 (FY19: £0.6m). Following a review there was a small impairment charge of £0.2m relating to the impairment of the JHCS Ltd goodwill balance (£0.2m) as the customer base was migrated within the Quickline business and is analysed as follows:

Goodwill and Amortisation	FY20 £000	FY19 £000	Comments
Underlying amortisation	69	612	
Amortisation adjustment	-	(788)	Revision to prior year accumulated amortisation arising on consolidation of subsidiaries.
Additional charge - Impairment	213	-	Relates to JHCS, part of Quickline
Reported amortisation	282	(176)	

Working Capital

Inventory days reduced to 11 days (FY19: 18 days) as we efficiently reduced stock holdings in each region.

Debtor days decreased to 11 days (FY19: 16 days) following strengthening of the recovery team and implementation of auto suspend in several regions.

Creditor days reduced to 73 days (FY19: 83 days) due to agreed revised payment terms with suppliers.

Total net cash increased to £7.4m from a net debt position of £14.2m in FY19 and is explained further in the cash flow analysis section. The increase in cash is largely due to the sale of the discontinued business, 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 Group can deliver consistently improving products and services to its customers.

As at 30 November 2020, the Group had a cash balance of £15.3m, debt of £7.9m (£8.4m pre-refinancing capitalised costs against debt of £0.5m) and £3.6m of headroom under the Santander plc facility and £4m under the HSBC plc facility for Quickline.

Financial Review

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Earnings per share

As a result of the material exceptional profit, and non-underlying costs in the year as detailed above, the Group delivered a basic profit per share of 16.8p (FY19: loss per share of 13.9p) and fully diluted profit per share of 16.6p (FY19: loss per share of 13.8p). However, adjusted earnings per share (before non-underlying and exceptional items) was a profit per a share of 2.7p (FY19: loss per share of 0.1p).

	2020	2019
Basic earnings per share	16.8p	(13.9p)
Diluted earnings per share	16.6p	(13.8p)
Basic adjusted earnings per share	2.7p	(0.1p)

Basic EPS and Statutory EPS

Basic EPS improved to a profit of 16.8p per share in FY20 from a loss of (13.9p) in FY19, largely due to the sale of the discontinued businesses.

Diluted EPS

Diluted EPS is a calculation used to gauge the quality of a company's earnings per share (EPS) if all share options are exercised.

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 standards this year that have a material impact on the Group's results. No forthcoming new IFRS standards are expected to have a material impact on the financial statements of the Group.

Dividend

The Directors do not recommend the payment of a dividend (FY19: Nil)

Going concern

The Directors have prepared and reviewed projected cash flows for the Group, reflecting its current level of activity and anticipated future plan for the next 12 months, from the date of signing, and post the disposal of the UK and European Satellite Operations in September 2020. The Group is currently loss-making, before the gain on the sale of the discontinued business, mainly as a result of amortisation, exceptional charges and the BGF redemption premium payment. The business continues to grow customer numbers and revenue in key target markets and continues to monitor the short-term business model of the Group.

While we are yet to understand the medium and long-term impacts of COVID-19, the Board has identified the key risks and these include:

- Slower revenue growth, EBITDA and cash generation if sales activities, installations or activations decrease over the period with further lockdowns
- Reduced ARPU if market pressures result in discounting customer products to support them
- Increased churn could be experienced if service levels are not as expected due to volumes of traffic, personnel shortages and capacity constraints
- Increased bad debt as customers suffer income loss

- Increased CAPEX costs to meet ITT targets or shipping delays
- Potential banking covenant breaches if profit or cash minimum targets not met or CAPEX is overspent

The Board also recognises a number of significant mitigating factors that could protect the future going concern of the business. These include:

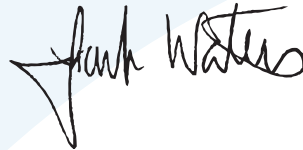
- The COVID-19 situation has resulted in a significant increase in demand for our products as the global workforces are forced to work from home
- Super-fast broadband is already an essential utility for many and even more so now, it is likely to be one of the last services that customers will stop paying for
- Increased self-install / tripods to offset any installation delays
- Reduced CAPEX / discretionary spend
- Support from network partners for the business and customers
- Strong support from banking partners

The Board has conducted stress tests against our covenants and business valuation metrics to ensure that we can manage the risks that COVID-19 presents. We recognise that a number of our business activities could be impacted, and we have reflected these in this analysis, including supply chain disruptions, closure of hubs, delays in sales or installations, earnings, or cash generation. By modelling sensitivities in specific KPIs such as volume of activations, churn, ARPU, margin, overhead and FOREX, management is satisfied that it can manage these risks over the going concern period.

Furthermore, management has in place and continues to develop robust plans to protect EBITDA and cash during this period of uncertainty and disruption. Under this plan identified items include reducing discretionary spend, postponing discretionary Capex, reducing marketing, freezing all headcount increases, working with suppliers on terms particularly our network partners and ultimately seeking relief, as appropriate, from the various forms of government support being put into place.

As a consequence, despite the risks to businesses posed by COVID-19, the Board believes that the Group is well placed to manage its business risks and longer-term strategic objectives, successfully. The latest management information shows a strong net cash position, and in terms of volumes, ARPU and churn, we are in fact showing a strong position compared to prior year and budget and indeed the business is seeing a significant increase in demand across all main territories as a result of the government's response to COVID-19 resulting in the remote working of individuals across our key territories. Accordingly, we continue to adopt the going concern basis in preparing these results.

On behalf of the Board



Frank Waters

Chief Financial Officer
31 March 2021

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 either through organic Satellite Customers growth, building infrastructure for Fixed Wireless and 5G customers, and its ability to derive revenue from these customers by providing excellent technical support, a value-added customer service, solution delivery and operational gearing. The table below sets out a number of the material risks together with relevant mitigating factors.

RISK	DESCRIPTION	MITIGATION
Dependence on satellite owners and satellite infrastructure	<p>The Group is dependent on its ability to purchase broadband capacity from satellite owners in Australasia and the Nordics. 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.</p> <p>In the event of the failure of a satellite, the Group may not be able to supply broadband access to parts of its customer base, which would have an adverse impact on the Group's relationship with its customers and its revenues, its operational results, and its prospects.</p>	<p>The Board is in regular dialogue with network providers to ensure appropriate capacity exists in Australasia and Nordics 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 Australasia and the Nordics, continues to prosper.</p>
Overbuild by fibre in areas where the Group has presence	<p>Operators, either commercially or funded through government schemes, overbuilds the Group's existing wireless network. This increases price competition and could provide faster speeds than wireless internet is currently capable of. This would reduce Group revenues and could potentially make certain areas unviable.</p>	<p>Group strategy is to focus in rural areas where fibre is not commercially viable thereby avoiding direct competition with fibre operators where possible and adopting together with local authorities an outside in build programme to improve the digital divide.</p>
Key contract terms including capacity	<p>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, its government partners and consequently its revenues, its operational results and its prospects.</p>	<p>The Board works closely with satellite owners, as partners, to develop short, medium and longer-term sales plans, target opportunities and markets. This close working relationship ensures that our activities are goal congruent with our service providers and our value add to their business is well understood.</p>
Acquisitions	<p>The Group believes there is an opportunity to continue acquisition of customers by way of accretive bolt-ons in existing markets.</p> <p>The Group intends to conduct appropriate due diligence in respect of acquisition targets and to identify any material issues that may affect the decision to proceed with the purchase or give cause for concern post acquisition in terms of performance or liabilities identified subsequently. 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. Any of these outcomes may have a material adverse effect on the Group's business, financial condition, or results of operations.</p>	<p>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. In addition, dedicated resources are deployed 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.</p>

RISK	DESCRIPTION	MITIGATION
Competition from existing/emerging alternative technologies	There may be competition from existing and emerging alternative technologies, such as 4G, 5G, Space X, fibre to the premises, 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.	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 and changing landscape
Government policy and increased investment in fibre roll-out	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.	Government announcements in the UK and Australia indicate support will continue to be provided for satellite and wireless providers. We remain confident this will continue within the jurisdictions in which we operate as evidenced by the recent ITTs won by Quickline.
System reliance	The Group believes the proprietary technology platform, Pathfinder, built on Microsoft technology is a key contributor to the operational success of the business as well as the more localised systems. 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.	Continued and sustained development and testing of the existing systems is undertaken regularly. Enhancements are rolled out during the course of the year to reduce risks.
Dependence on key executives	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.	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 various share option schemes and management incentive plans which enables employees to benefit from continued growth and delivering Shareholder returns. It also ensures that the management team, staff and Shareholders objectives are aligned.
Fraud, including cyber attacks	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 market's 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.	The Group has technical staff including outside specialist contractors who focus on investigation and mitigation of risks related to fraud and cyber-attacks.

Principal Risks and Uncertainties

continued

RISK	DESCRIPTION	MITIGATION
COVID -19 and similar	<p>Global responses to the coronavirus disease (COVID-19) continue to rapidly evolve. COVID-19 has already had a significant impact on global financial markets, and it will have implications for many businesses including BBB.</p> <p>Some of the key risks that could impact on the BBB Group include, but are not limited to:</p> <p>Supply chain disruptions, unavailability of personnel, closure of hubs, delays in sales or installations, earnings, or cash generation. Delays in planned business expansions and the launching of new products.</p> <p>In addition, BBB is aware of the risks posed by the increasingly broad effects of COVID-19 as a result of its negative impact on the global economy and major financial markets.</p>	<p>The BBB Board and Management have considered the effects using the best possible information currently available and the government guidance given in each jurisdiction of Continuing Operations and has taken precautionary measures which include the testing and enforcement of</p> <ul style="list-style-type: none"> • Home working, self-isolation • Integrated telephony systems • Business continuity <p>We carefully consider any unique circumstances and risk exposures in our business units when analysing how recent events may affect their financial reporting. Specifically, as appropriate we include comments in our reporting and related financial statement disclosures to convey material effects of COVID-19.</p>
Force majeure	<p>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.</p>	<p>This continues to be monitored by the Board with our professional advisors, satellite and wireless operators and insurance specialists.</p>
Foreign exchange rate volatility	<p>The geographic spread of the Group means that financial results are affected by movements in foreign exchange rates, with only a small percentage of the Group's revenue currently being generated in sterling. The risk presented by currency fluctuations may affect business forecasting and create volatility in the results and cash holdings.</p>	<p>The Group monitors foreign exchange exposure regularly and, when a transactional exposure is not covered through a natural hedge, consideration will be given in entering into a hedge arrangement such as forward contracts and options.</p>

RISK	DESCRIPTION	MITIGATION
General economic conditions	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.	This continues to be monitored by the Board with our professional advisors.
Brexit	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.	In the past a significant part of the business arose within the EU. However, this is not the case post disposal. Our Norway supply chain is therefore not materially affected, and Australia is outside the EU. In the UK we have imports for equipment relating to the ITT contracts, which apart from additional paperwork doesn't affect the supply chain process. The systems are developed in such a way to provide maximum flexibility in billings and collections, and we are in regular dialogue with Santander, HSBC and our network partners to assess risks

Corporate Responsibility

BBB is committed to being an equal opportunities employer and is focused on hiring and developing talented people. The health and safety of our employees, and other individuals impacted by our business, is taken very seriously, and is reviewed by the Board on an ongoing basis. A Company statement regarding the Modern Slavery Act 2015 is available on the Company's website at www.bbb-plc.com. As a manufacturer and distribution business, there is a risk that some of the Group's activities could have an adverse impact on the local environment. Policies are in place to mitigate these risks, and all of the businesses within the Group are committed to full compliance with all relevant health and safety and environmental regulations.

The Strategic Report was approved by the Board of Directors on 31 March 2021 and was signed on its behalf by:



Andrew Walwyn
Chief Executive Officer

s172 (1) statement

In accordance with section 172 (1) of the Companies Act 2006 each of our Directors acts in the way that they consider, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole.

Consequences of any decisions in the longer-term

- interests of our colleagues
- need to foster the Group's business relationships with suppliers, customers and other key stakeholders
- impact of the Group's operations on communities and the environment
- desirability of the Group maintaining a reputation for high standards of business conduct
- need to act fairly as between members of the Group.

The Directors take into account the views and interests of a wider set of stakeholders and you can find out more about how the Group engages with its stakeholders on page 40. During the year the Board and its committees received papers, presentations and reports, participated in discussions and considered the impact of the Group's activities on its key stakeholders (wherever relevant). We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders and the Board frequently has to make difficult decisions based on competing priorities. By considering the Group's purpose and values together with its strategic priorities and having a process in place for decision making, we do, however, aim to balance those different perspectives.

In terms of particular stakeholder groups

- Customers, employees, suppliers, community and environment: see the future prospects and key performance indicator sections of the Strategic Report. Additionally, other forms of interaction with different groups are maintained, including employee forums where appropriate, newsletters and Group broadcasts.
- Shareholders: we would guide you to the entire report and to take advantage of the details in the investor sector of our portal on the website (www.bbb-plc.com).

How does the Board engage with stakeholders?

The Board will sometimes engage directly with stakeholders on certain issues such as remuneration schemes, strategic direction, investment and fundraising issues. The Board considers information from across the organisation to help it understand the impact of the Group's operations, and the interests and views of our key stakeholders in maximising shareholder value. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enable the Directors to comply with their legal duty under section 172 of the Companies Act 2006. For details on how the Board operates and the way in which the Board and its committees reach decisions, including the matters we discussed during the year, see pages 39 to 46.

Key strategic decisions

Decisions taken by the Board and its committees consider the interests of our key stakeholders, the impacts of these decisions and the need to foster the Group's business relationship with customers, suppliers and other stakeholders, as well as engagement

with our employees. Papers submitted to the Board consider the impact on key stakeholders. Directors have had regard to the matters set out in section 172(1) (a)-(f) of the Companies Act 2006 when discharging their section 172 duties. The following are some of the decisions taken by either the Board or its committees during the year and the considerations given to stakeholder interests and impacts:

Refinancing Debt facilities

The Company agreed a new £30m revolving credit facility with Santander Bank UK plc in December 2019. This replaced the two tranches of loan notes totaling £12m issued in 2016 by Business Growth Fund ("BGF") (the "Loan Notes") and the Group's £10m revolving credit facility with HSBC plc (the "HSBC Facility") and provided additional working capital to support the Group. The Group also announced that HSBC would continue to provide a £4m revolving credit facility and operational banking support to the Group's UK fixed wireless subsidiary Quickline Holdings Limited ("Quickline").

In making this decision the Board considered the interests of key stakeholders who would benefit from a significant reduction in the Company's annual cost of debt and net interest payments. The Board also considered the new facility would provide additional funding headroom to support accelerated growth, provide a simplified capital and covenant structure (which Shareholders were particularly keen on) defer amortising principal repayments under the BGF Loan Notes and HSBC Facility which enhanced cash flow; improve our free cash flow and increase our EPS via reduced finance charges which would also provide a more stable balance sheet which customers, suppliers and employees could rely upon.

Disposal of Satellite Operations in Europe

As part of the Board's decision to dispose of our Satellite operations in Europe, as announced on 31 July 2020 and completed on 30 September 2020 the Board took into consideration a number of stakeholders, including: our investors both institutional and retail, our colleagues who were participants in certain EMI schemes and LTIPs and our customers to ensure that they received the most appropriate products in the near and long-term at the most appropriate prices. In addition, we reduced the RCF with Santander to £12m, which significantly reduced our debt and will allow us to invest greater amounts in the continuing businesses.

Deployment of Significant Investment resources for ITTs

During the course of the year and just after the year end, significant resources were deployed to support Local Authorities in significantly improved broadband speeds to premises across

West Yorkshire, Lincolnshire, North Lincolnshire and North Yorkshire that are unable to access fast and reliable internet connectivity. Given the limited connectivity currently available in the contracted areas, Local Authorities and Quickline expects to see strong take-up of broadband services, further increasing its addressable market and customer base.

The Board is very conscious of its desire and responsibility to support Local Authorities where a significant digital divide remains and hundreds of thousands of premises are in need of increased broadband speeds. Quickline's heritage is fixed wireless and its network includes increasing amounts of fibre connectivity. Its aim is to be the leading UK dedicated rural broadband Outside In infrastructure provider, delivering innovative, flexible and hybrid solutions that can address the millions of premises unlikely to be served commercially by full fibre networks for many years to come on behalf of customers, Local Authorities and will deliver value for Shareholders.

Directors' Remuneration Policy

In 2018 we sought the guidance from our major institutional investors on developing a new Directors' Remuneration Policy (the Policy) regarding Long Term Incentive Plans "LTIPs". The Group HR Director and our NOMAD liaised with various stakeholders including the Executive Committee and all Non-Executive Directors to understand their views of the current remuneration arrangements of the Group and the alignment of remuneration to our strategy and priorities over the medium term. These views were shared with the Remuneration Committee alongside information on the wider workforce remuneration structure, external market practice, corporate governance regulations and institutional guidelines. This was implemented. Post the disposal, consideration was given to ensuring we continue to have in place a remuneration structure including Management Incentive Plans that benefits the Group's employees, whilst ensuring executive reward aligns with Shareholders' short and mid-term interests.



Directors' Report

The Directors present their report together with the audited financial statements for the year ended 30 November 2020.

Results and dividends

The results include those of BBB plc and its subsidiaries for the full year including continued and discontinued activities and are set out in the financial statements on pages 64 to 98.

The Directors do not recommend the payment of a final dividend for the financial year ended 30 November 2020.

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 34 to 36.

	Appointed	2020 Ordinary shares of 15p each	2020 Share options	2019 Ordinary shares of 15p each	2019 Share options
Current					
Michael Tobin	29 Sept 2015	244,553	226,667	236,553	226,667
Andrew Walwyn	12 May 2015	2,968,438	954,729	2,968,438	954,729
Frank Waters	12 May 2015	325,090	585,908	314,780	585,908
Paul Howard	29 Sept 2015	149,577	133,333	149,577	133,333
Christopher Mills*	23 May 2019	258,334	-	258,334	-
Philip Moses	21 May 2020	-	-	-	-
Left during the year					
Stephen Morana**	10 Feb 2017	199,783	133,333	199,783	133,333
Simon Clifton ***	29 Sept 2016	1,866,303	585,963	1,866,030	585,963
Total		5,993,495	2,619,933	5,993,495	2,619,933

* Mr Christopher Mills also has an indirect interest in a further 16,010,500 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 16,268,834 shares, representing 28.2% of the issued share capital.

** On 21 May 2020 Stephen Morana retired as a director and Philip Moses was appointed as a director of the Company. Philip Moses does not currently own any shares or share options.

*** On 30 September 2020 Simon Clifton resigned as a director.

As at 30 November there were 1,013,329 of share options vested but remained unexercised.



Directors' insurance and indemnities

The Group maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. In accordance with section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the financial year ended 30 November 2020 and through to the date of this report.

Share option schemes

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 November 2020 and November 2019 remain unchanged, and 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	48,057	114.45
Frank Waters	217	114.45	86,450	114.45
Paul Howard	-	-	66,667	114.45
Paul Howard	-	-	66,666	78.75
Total	285,492		494,506	

Directors leaving during the course of the year:

Outstanding	EMI share options	Exercise price (pence)	Remaining share options	Remaining exercise price (pence)
Simon Clifton	-	-	100,000	114.45
Stephen Morana	-	-	133,333	131.25
Total	-		233,333	

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") and more recently a Management Incentive Plan, pursuant to which the CEO and other members of staff have been or may be granted awards. All such schemes together with other management incentive plans are reviewed at least yearly to ensure in line with Shareholders expectations. All such incentive plans will be reviewed in detail this year following the Disposal last year. There were no awards made under the existing LTIP arrangements in FY20. The number and exercise price of ordinary shares outstanding in the Group held by Directors and other staff members at the end of the year were as follows:

	2020 LTIP share options	2020 Exercise price (pence)	2019 LTIP share options	2019 Exercise price (pence)
Existing Directors				
Andrew Walwyn	621,396	15.0	621,396	15.0
Frank Waters	499,241	15.0	499,241	15.0
	1,120,637		1,120,637	
Leavers				
Simon Clifton *	485,963	15.0	485,963	15.0
Other staff members	1,197,741	15.0	1,197,741	15.0
	1,683,704		1,683,704	
Total	2,804,341		2,804,341	

* On 30 September 2020 Simon Clifton resigned as a director.

The Directors' beneficial interests in share options shown in the tables on the previous pages comprise options issued under the EMI option scheme, the "unapproved" option scheme and the LTIP.

There are a number of performance conditions as well as time restrictions relating to the financial year ended 30 November 2020 attached to these share schemes and are reviewed by the Remuneration Committee.

Directors' Report

continued

Directors' Remuneration

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

	Year ended 30 November 2020					Year ended 30 November 2020
	Salary/fees £000	Bonus ** £000	BIK £000	Pension £000	Total emoluments £000	Total emoluments £000
Current Directors:						
Michael Tobin (Non-Executive Director and Chairman)	83	-	-	-	83	85
Andrew Walwyn (Chief Executive Officer)	268	181	18	10	477	317
Frank Waters (Chief Financial Officer) **	258	257	13	9	537	253
Paul Howard (Non-Executive Director) *	107	-	-	-	107	75
Christopher Mills (Non-Executive Director)	52	-	-	-	52	52
Philip Moses (Non-Executive Director) ***	33	-	-	-	33	-
	801	438	31	19	1,289	782
Former Directors:						
Simon Clifton (Chief Technology Officer)	62	-	-	-	62	304
Stephen Morana (Non-Executive Director)	29	-	-	-	29	57
Total	892	438	31	19	1,380	1,143

* Paul Howard was appointed Chairman of Quickline Holdings Ltd in August 2019

** Bonus payments to Andrew Walwyn and Frank Waters of £181k and £257k respectively (FY19: £nil) related to exceptional bonuses on the completion of the sale to Eutelsat and has been charged to the discontinued business.

*** Philip Moses was appointed May 2020.

Service Contracts

The Chief Executive Officer and Chief Financial 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 three 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 as well as central team members.

Substantial shareholdings

As at 30 November 2020 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	26.4	16,010,500
Gresham House Asset Management	8.6	5,203,644
BGF Investment Management Limited	7.5	4,544,444
Canaccord Genuity Wealth Management	6.0	3,605,000
Herald Investment Management Ltd	5.6	3,391,111
Tellworth Investments	5.5	3,355,000
Mr Andrew Walwyn	4.9	2,968,438
Mr Simon Clifton	3.1	1,866,303

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 ongoing basis and they are summarised in note 25 to the financial statements.



Board of Directors



Michael Tobin OBE **NON-EXEC CHAIRMAN** **Appointment**

Michael joined the Board and became Chairman in September 2015.

Committee Membership

Michael chairs the Board's Remuneration and Nomination Committees and is a member of the Audit and Risk Committee.

Independence

The Board consider Michael to be an independent Director.

Background and Experience

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 recognised as Britain's Most admired Tech Company in 2012.

Prior to joining Telecity Group, 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 Queen's New Year's Honours List with the Order of the British Empire medal for Services to the Digital Economy.

External appointments

Michael holds a number of Non-Executive and Chairmanship roles including EdgeConneX, Audioboom, Ultraleap, Pulsant, NorthC Datacenters, Everarc PLC, Sungard Availability Services, DC Byte, Instrumental, ScaleUp Group UK, LeaseWeb, The Lewis Moody Foundation where he is Ambassador



Paul Howard
NON-EXECUTIVE DIRECTOR
Appointment

Paul joined the Board in September 2015.

Committee Membership

Paul serves on the Board's remuneration and Audit and Risk Committees.

Independence

The Board considers Paul to be an independent Director.

Background and Experience

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.

External appointments

n/a

Christopher Mills
NON-EXECUTIVE DIRECTOR
Appointment

Christopher joined the Board in May 2019.

Committee Membership

None

Independence

The Board considers Christopher to be a non-independent Director.

Background and Experience

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.

External appointments

Christopher holds a number of non-executive roles.

Philip Moses
NON-EXECUTIVE DIRECTOR
Appointment

Phil joined the Board in May 2020

Committee Membership

Phil chairs the Board's Audit and Risk Committee.

Independence

The Board considers Phil to be an independent Director.

Background and Experience

Phil has held CFO level roles in both telco and infrastructure companies in the UK and internationally for the last 20 years.

He held several divisional CFO positions at BT as well as that of IR director and Group Controller.

Subsequently, he was Group CFO at p/e owned Arqiva, the UK's largest communications tower company; at London City Airport and at pan-African fibre and data centre provider Liquid Telecom.

Phil has a mathematics BSc from Warwick university and is an FCCA.

External appointments

n/a

Board of Directors

Continued



Andrew Walwyn

CHIEF EXECUTIVE OFFICER

Appointment

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

Committee Membership

Andrew serves on the Board's Nomination Committee.

Independence

Executive – non-independent

Background and Experience

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.

External appointments

None



Frank Waters

CHIEF FINANCIAL OFFICER

Appointment

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

Committee Membership

None

Independence

Executive – non-independent

Background and Experience

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 all Group finance, commercial, legal, regulatory, HR, IT and M&A matters.

External appointments

Frank holds a number of non-executive directorships in sports clubs and businesses.





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
31 March 2021

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
Non-Executive Chairman
31 March 2021

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

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 Group adopted the Quoted Companies Alliance Code for Small & Mid-sized Quoted Companies (the "QCA Code") in September 2018. This statement sets out how the Group complies with the 10 principles of the QCA Code.

1 Strategy & business model

The Group is an alternative broadband provider who markets and delivers broadband services to homes and businesses mainly located in areas of poor or underserved telecoms infrastructure. The Group's target customers are residential and businesses who are typically not served by fibre to the premise's broadband. The Group 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) and fibre.

In July 2020, the Group announced the disposal of the Group's UK and European satellite broadband operations (the "Sale Companies") to Eutelsat S.A. ("Eutelsat"). Following completion in September 2020 the Group's remaining operations consist of its Australian operations (SkyMesh Pty Limited), its Nordics business (Bigblu Norge AS), and its majority interest in Quickline (Quickline Holdings Limited) (together, the "Continuing Group").

The Group is now active and has customers in Australia, the Nordics and the UK with approximately c.65k customers as at 30 November 2020. The Group has grown strongly since listing on AIM in May 2015 both organically and by acquisition, acquiring and integrating 21 businesses in nine

countries in the last four years. The Group, although smaller in size following the disposal, is extremely focussed on growing the Continuing Group. The Group works closely with network partners to ensure we get the best customer offers in each jurisdiction.

Together with local bespoke systems the Group's cloud-based global billing and customers service (ERP) platform, Pathfinder, enables it to support customers around the world in any language the customer chooses, with the system supporting multiple currencies and VAT jurisdictions. The Group 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 EBI and NBNC. The Group 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, resultant price structure, and the amount of capacity available in a particular market.

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

Our Australian business, SkyMesh, went from strength to strength with year on year overall customer growth of c.21% and of equal importance, strong customer engagement with 40% of new customers coming from word of mouth and a net promoter score of 44, up from 36 year on year, and against an average competitor score of 25. During the year SkyMesh was also awarded the Whistleout 2020 Best Satellite NBN Co

Corporate Governance Statement

continued

provider. We further reinforced our close working relationship with NBN Co as it proactively extended the use of satellite in regional and remote Australia.

After a period of Satellite investment and focus, following the disposal, the Board continues to evaluate the opportunity to allocate part of the net proceeds from the disposal to refining and enhancing the Group's service proposition in the Nordic market. Initiatives considered and acted upon included adding a Sales and Marketing Director for the Nordics, now appointed, with a strategic objective to, among other things, expand the geographic focus of the operation into Sweden and Finland. In addition to the launch of new product satellite offerings across the region offering speeds of 50Mbps and unlimited capacity, the Group recommenced investing in the upgrade of its fixed wireless network. The Directors consider that the Group's ability to offer FWA (fixed wireless access) and satellite solutions in the Nordics means that there is potentially significant scope to expand its presence and reach in this region.

The suite of competitive offerings and growing demand for working from home solutions means that the target market continues to increase in size. Market growth, alongside the operational investment outlined above, provide the Directors with confidence of stronger demand for its FWA solutions in Norway whilst historically capital-light satellite solutions are expected to be successfully deployed across the wider Nordic region.

Our UK Fixed Wireless business covers certain areas of the UK. Quickline in the UK has worked tirelessly with local authorities all year to deliver a robust plan to provide significantly improved broadband speeds and coverage to premises across North Lincolnshire, Lincolnshire, West Yorkshire and North Yorkshire that are unable to access fast and reliable internet connectivity. Quickline will extend its network using both fixed wireless and full fibre technologies to around 30,000 premises in rural areas to connect to super-fast*, ultra-fast** and in some cases gigabit

speed broadband services. There are further subsidies available and Quickline will look to address over 100,000 premises using a mix of 5G and fibre technology. Given the limited connectivity currently available in the contracted areas, Quickline expects to see strong take-up of broadband services, further increasing its addressable market and customer base. At the same time Quickline has strengthened the management team in place to deliver such ITTs and continues to invest in its systems and infrastructure capabilities.

The Group embraces new technologies like 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 Group's existing fixed wireless customers are already being connected to fixed 5G services.

The Directors believe there is a significant opportunity to continue to grow the Group's subscriber base organically and also through bolt-on acquisitions in the markets we operate in.

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 clear 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 and CFO at meetings following the publication of its full-year and half-year results. The Group also holds an open retail investor meeting shortly after results have been published. There is also regular dialogue with investors through the medium of the Group's corporate broker (finnCap), and through the Group'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 Group'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 finnCap and Walbrook PR are published on all the Group's RNS releases and on the Group's investor website.

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

The long-term success of a business and good Corporate Governance includes the Board considering the Group'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 Group'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 Group's strategy. Integrating CSR into strategy will help create long-term value and reduce risk to Shareholders and other stakeholders. The Group sees CSR as a very important area for consideration and are currently in the process of finalising a CSR Policy. This year we have reported on carbon output for the first time in the Chief Executive Report section. In the coming year we will be looking at setting carbon reduction targets following the TCFD recommendations (The Task Force on Climate-related Financial Disclosures).

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 Group 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 24 to 27 of this Annual Report identifies these risks and how the Board and the business mitigate these risks. The Board of the Group 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 11 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 prepares 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 and Risk Committee, a Remuneration Committee and a Nominations Committee together with 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

Corporate Governance Statement

continued

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). The Board considers that the current authority remains appropriate for the Board.

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, M&A 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 and Risk 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 and Funding:**
During FY20, 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 the refinancing of existing facilities and was pleased to announce the successful refinancing of all historic debt facilities in December 2019 and a significant reduction in the cost of debt and net interest payments. At the same time the Company also announced that HSBC would continue to provide a £4m revolving credit facility and operational banking support to the Group's UK fixed wireless subsidiary Quickline.

The Board also reviewed relationships with the Group's main partners and suppliers. Together with our partners over the past five years, the Group successfully executed its strategy of becoming a leading provider of last mile rural broadband solutions in certain European territories through a combined offering of both satellite and fixed wireless products. The Board considered that the success of the Group's expansion of its satellite offering across Europe had made its business attractive to operators considering their position in the satellite broadband market in Europe, including the UK. Consequently, it was decided to dispose of these operations to our main partner Eutelsat. The Board believes that the disposal provides the Group with the opportunity to crystallise an attractive return on invested capital with respect to the Sale Companies, reduce net debt and also to provide additional financial flexibility to support the further progress of the Continuing Group.

- **Financials:**
During FY20, 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. This was given even more attention including multiple

scenarios run and sensitivity analysis performed as we navigate through the COVID-19 pandemic.

- **Governance:**
The Board continues to review its governance structure following the adoption of the QCA Code to ensure, where possible, the Company is compliant with the requirements applicable to a publicly listed Group and the QCA Code. In addition, the control environment was improved with the recruitment of additional financial and systems resources.
- **Business performance:**
In FY20, 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

The Board has established Committees as follows:

- Audit and Risk Committee (chaired by Phil Moses) to oversee financial reporting, internal control and the management of the risks the Group faces.
- 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 Committee reports can be found on pages 47 to 57 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*	11	11	2	2	4	4	1	1
Andrew Walwyn	11	11	-	-	-	-	1	1
Frank Waters	11	11	-	-	-	-	-	-
Paul Howard	11	11	2	2	4	4	-	-
Christopher Mills	11	10	-	-	-	-	-	-
Philip Moses**	7	7	1	1	-	-	-	-
Simon Clifton	9	9	-	-	-	-	-	-
Stephen Morana	5	5	1	1	-	-	1	1

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

** Philip Moses is Chairman of the Audit and Risk Committee.

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.

6 Having appropriate experience, skills and capabilities on the board

BOARD COMPOSITION, QUALIFICATION AND EXPERIENCE

The Board currently comprises six (2019 seven) 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.

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 two 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 four Non-Executive Directors and two Executive Directors.
- 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 Company Secretarial service is provided by a professional services company in order to conform to requirements.

Corporate Governance Statement

continued

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 of Group Strategies
Promotes a culture of openness and debate	Oversees implementation of all Board-approved actions	Available to stakeholders 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 52, Michael Tobin OBE, and Paul Howard all participate in the Group's share option plan. Notwithstanding this, both Michael Tobin and Paul Howard are considered independent 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, however, 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 Group'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 52.

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 2020 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 to 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 are reviewed from time to time. A Board Effectiveness Review was carried out at the beginning of 2020 with the results being analysed and reported to the Board. A small number of proposed recommendations were made and are being implemented by the Board.

8 Ethical values & behaviours

The Company operates a corporate culture that is based on ethical values and behaviours. The Executive Directors (comprising Andrew Walwyn and Frank Waters) 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.

Corporate Governance Statement

continued

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 Chief Financial 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 43.

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 be held on 26 May 2021, and such notice of the AGM will be circulated to Shareholders shortly. 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 and Risk 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 49.

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 Auditors 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 Auditors is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

Haysmacintyre LLP have expressed their willingness to continue as the Group's Auditors. As outlined in the Audit and Risk Committee report on page 51, 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
31 March 2021

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 Andrew Walwyn.

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, having regard to the Company's aim to be an equal opportunity employer, addressing its corporate social responsibility by promoting equality and diversity in its workforce. A copy of the Committee terms of reference is available on the Company's website.

Meetings during the year

A meeting of the Nomination Committee was held during 2020 following the resignation of Stephen Morana and Simon Clifton. After due and careful consideration, it was decided to appoint Philip Moses as Non-Executive Director and Chair of the Audit and Risk Committee, given his extensive experience.

Process for Board appointments

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

- The Committee Chairman, or search consultants where engaged, will typically submit a shortlist of candidates to members of the Committee and the Chief Executive Officer for them to review and enable them to suggest other candidates unless the Committee has been made aware of the availability of very suitable candidates.
- The Committee Chairman, one other Committee member and the Chief Executive Officer will then meet shortlisted 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 shortlist 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
31 March 2021

Audit and Risk Committee Report

The role of the Audit and Risk Committee is documented in its terms of reference which were reviewed and adopted by the Board in May 2016 and updated in December 2020 and the remit was extended to cover risk reviews as well and renamed the Audit and Risk Committee. The annual report on the role and activities of the Audit and Risk Committee are as follows:

Membership of the Committee

The Committee meeting held in March was chaired by Stephen Morana with Michael Tobin OBE and Paul Howard being the other members of the Committee. The Committee meeting held in August was chaired by Philip Moses 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 2020, the Committee met twice. The table on page 43 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 Chairman, the Chief Executive Officer and members of the finance function may also be invited to Audit and Risk 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 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 2020 the Committee:

- reviewed and approved the interim and year end 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 technical accounting papers prepared by management covering significant accounting policies, significant transactions, judgemental areas, estimates, disclosures and going concern
- Agreed to establish an internal Audit Plan for 2021 and updating risk registers for each Continuing Business.

Significant issues

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

<p>Revenue recognition</p>	<p>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 follows IFRS 15, and includes processes and procedures for recognition dependent upon the individual nature of the goods or services sold. The Group's external Auditors as part of the annual statutory audit have reviewed the revenue recognition policy and performed testing of revenue recognition and found revenue to be appropriately accounted for in accordance with IFRS15.</p> <p>Notwithstanding the above, the Committee has reviewed its historic disclosure around complicated PPP / Hybrid Rental agreements and has updated disclosures.</p> <p>During 2020 the Group received a notification from the Financial Reporting Council stating that our prior year disclosures needed to be clearer on the categorisation of our revenue. This has been noted and our revenue recognition policy amended in note 1 on page 72. As a result of the above and after providing appropriate challenge the Committee has concluded that the revenue recognition for the Group is appropriate.</p>
<p>Goodwill and intangibles carrying value</p>	<p>At 30 November 2020, the Group had on its balance sheet goodwill of £11.9m (FY19: £29.0m) and other intangibles of £0.1m (FY19: £7.1m) 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.</p> <p>Management prepares 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.</p> <p>Having considered the impairment reviews performed, the Committee is satisfied that the carrying value of goodwill and intangibles at 30 November 2020 is appropriate, after an impairment of £0.2m of goodwill relating to JHCS Limited, an acquisition made in 2019.</p>
<p>Disposal of UK and European Satellite Operations</p>	<p>The accounting and disclosure for the transaction and the ongoing continuing businesses were reviewed and agreed with the Auditors, including splitting disclosure for Continuing and Discontinuing Operations.</p>

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 including finance personnel have taken a lead role in looking at controls in the various jurisdictions. 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 provide additional assurance to an established Audit and Risk Committee who 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 a dedicated internal audit function will from time to time engage with external consultants to review aspects of the business as appropriate. Such findings will be discussed at the Audit and Risk 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 and Risk Committee and the Board.

Audit and Risk Committee Report

continued

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 formally at Board level
- 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, including cash control
- an operations team reviews key business processes, controls and their effectiveness, as well as identifying, assessing and managing significant control issues; and
- the Audit and Risk 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 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 and Risk Committee in advance of presentation to the Board for approval.

The Directors, by using 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 internal audit programme as approved by the Audit and Risk Committee with the deployment of central resources into the Continuing Operations to review processes and controls. This programme will be authorised by the Board to provide an additional level of assurance to the Audit and Risk 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 and Risk 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 Auditors

The Audit and Risk 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 and Risk 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.

The external Auditors may perform certain limited non-audit services for the Group. Providing such services are permissible in line with the requirements of the FRC's 2019 Ethical Standard. Any such non-audit services require pre-approval by the Audit and Risk Committee and are only permitted to the extent allowed by relevant laws and regulations.

During the year ended 30 November 2020, the non-audit services historically provided by Haysmacintyre LLP relating to tax compliance activities have been transferred to an independent accounting firm. Haysmacintyre LLP continue to review the half year reporting. Full details of Auditors' remuneration are 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
- noted the rotation of Senior Statutory Auditor during the year following the previous incumbent's completion of a five year tenure, and that this is assessed to provide continuing audit independence
- 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 LLP be proposed at the next Annual General Meeting.



Philip Moses

Chairman of the Audit and Risk
Committee
31 March 2021

Annual Statement from the Chairman of the Remuneration Committee

As Chairman of Bigblu Broadband Remuneration Committee, I am pleased to present the Board of Directors' Remuneration Report for the year ended 30 November 2020, 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 FY20 and beyond.

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 with options granted in certain circumstances. There were additional fees awarded for serving on Board committees and Non-Executive Directors are not entitled to annual 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 FY20 and future years

Bigblu Broadband plc was listed on the Alternative Investments Market (AIM) in May 2015. During the period, the Remuneration Committee reviewed the Group's remuneration structure to ensure it aligned with the forward-looking strategy of the Group, 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 and best practice for a listed Group. The remuneration structure for Executive Directors applied throughout the financial year and is carried forward as appropriate into the new financial year commencing 1 December 2020, and is set out in the Remuneration Policy below. Following the disposal during the

year the Committee has undertaken to review the Long-Term Incentive Plan and Management Incentive Plans for senior executives to ensure their interests are aligned with that of the Shareholders both in the short and medium term.

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 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 FY20

The activities of the Committee and key decisions in FY20 are set out below and take into consideration the disposal in September 2020:

- Executive salaries were reviewed. There was an increase of 2.4%, reflecting the performance of the Continuing Group and their additional global responsibilities. This is in line with awards made to other team members.
- The basis and awards under the bonus schemes were updated and linked intrinsically to delivering revenue, EBITDA and cash targets and improved Shareholder returns.
- Non-Executive Director salaries were unchanged in the year and reduced by 15% with effect from December 2020.

- No awards of Options under the Long-Term Incentive Plan were made in the year whilst a new Management Incentive Plan is being implemented to maximise Shareholder value post the disposal of the UK / EU satellite operations.

The Group delivered strong results for the Continuing Operations with revenue at £27.2m (FY19: £26.8m) and adjusted EBITDA at £6.2m (FY19: £4.8m). Additional uplift bonuses can be earned when performance materially exceeds targets, however, none were awarded during the period. Awards were made to various staff, including the CEO and CFO as a result of the disposal of the

Therefore, pending review, during the course of the year there were no awards under the current LTIP to the Executive Directors:

Director	2020				2019			
	Options	Price	Date	Vesting	Options	Price	Date	Vesting
Andrew Walwyn	-	-	-	-	199,489	15p	October 2019	October 2021
Frank Waters	-	-	-	-	160,273	15p	October 2019	October 2021

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

UK and European satellite business in September 2020 in recognition of the extensive additional work performed outwith core responsibilities, and the delivery of Shareholder returns.

Long-Term Incentive Plan

Following consultation with external advisors, the Company's nominated advisor and a panel of Shareholders in 2018 an 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

No award was made in the current year to Senior Executives, instead the Committee agreed to revisit all incentive plans post the disposal to ensure Senior Executives short, medium and long-term Management Incentive Plans are intrinsically linked to growing Shareholder value.

- 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

Annual Statement from the Chairman of the Remuneration Committee continued

Future policy table

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

Fixed Pay

TYPE	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS
Base salary	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.	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.	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.	Group performance against market expectations is taken into account when determining appropriate salary levels.
Pension	Provide post-retirement benefits for participants in a cost-efficient and equitable manner.	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.	The CEO and CFO 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. 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.	None

TYPE	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS
Benefits	To provide competitive benefits for each role.	<p>Benefits currently include the provision of private medical and dental insurance, life insurance, permanent health and disability insurance and car allowance.</p> <p>Reasonable relocation package including annual family visitation allowance, legal fees allowance and health insurance.</p> <p>Travel and subsistence allowances in line with the Group Expenses Policy and other benefits may be provided based on individual circumstances.</p>	<p>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.</p> <p>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).</p>	None
Variable Pay				
Annual bonus	Aims to focus executives on achieving financial targets relevant to the business priorities for the financial period.	<p>Performance measures and targets are set prior to or shortly after the start of the relevant financial period.</p> <p>At the end of the financial period, the Remuneration Committee will determine the extent to which the targets have been achieved.</p> <p>Awards are typically delivered in cash; however, the Committee has discretion to defer awards in cash or in shares.</p> <p>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.</p>	<p>The base bonus opportunity for Executive Directors will be up to 75 percent of base salary.</p> <p>Up to 75 percent of maximum will vest for target performance.</p> <p>Performance above base performance can result in additional bonuses being paid linked to improved performance - i.e. paying for themselves.</p>	<p>The annual bonus will be based on achievement of financial targets (e.g. revenue growth, EBITDA improvements and cash metrics).</p> <p>The Committee has discretion to adjust the formulaic bonus outcome downwards within the limits of the plan, to ensure alignment of pay with the underlying performance of the business.</p>

Annual Statement from the Chairman of the Remuneration Committee continued

TYPE	PURPOSE AND LINK TO STRATEGY	OPERATION	MAXIMUM OPPORTUNITY	PERFORMANCE METRICS
Non-Executive Directors Fees				
Non-Executive Directors' fees	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.	<p>Monthly invoiced fee for Chairman.</p> <p>Monthly invoiced fees for Non-Executive Directors.</p> <p>Additional fees paid to the Chairmen of Board Committees may be paid if there is a material increase in time commitment required.</p> <p>Non-Executive Directors do not participate in any annual 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.</p>	<p>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.</p>	None

Notes to the policy table

- Revenue growth, adjusted EBITDA and cash generation / cash conversion 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 post the disposal.
- 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 three 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 Executive 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 and Management Incentive Plans. 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 2019	3 years
Paul Howard	Non-Executive Director	September 2015	May 2019	3 years
Christopher Mills	Non-Executive Director	May 2019	-	3 years
Philip Moses	Non-Executive Director	May 2020	-	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	12 months
Frank Waters	Chief Financial Officer	May 2015	May 2018	12 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 and bonuses 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 typically 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
31 March 2021

Independent Auditors' Report

To the members of Bigblu Broadband plc

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 2020 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 2020 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 12 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 judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) 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.

AUDIT RISK

Impairment of intangible assets

The Group holds two types of intangible assets: goodwill and other intangibles.

For the year ended 30 November 2020 management assessed for indicators of impairment in each of the cash-generating units (CGUs) for goodwill.

The assessment was based on the future cash flows of each CGU using a discounted cash flow model. An impairment was recognised when the goodwill value exceeded the recoverable amount.

Significant management judgement and estimation uncertainty is involved in this area, where the primary inputs are:

- Estimating future cashflows;
- Selecting an appropriate discount rate and variables with the cash flow model.

Other intangible assets are amortised over two to three years on a straight line basis.

HOW WE RESPONDED TO THE RISK

Our audit work included, but was not restricted to, the following:

- We assessed Management's impairment review process and performed analysis to challenge Managements' assumptions.
- We verified the arithmetically accuracy of the impairment model.
- We reviewed Management's forecasted cash flows that feed into the discounted cash flow model and challenged assumptions around this with reference to historic results, market trends and future expectations.
- We assessed the appropriateness of the growth and discount rates used by Management and challenged Management on those that fell outside of our expectations.
- We reviewed the carrying value of goodwill to consider whether amounts relating to subsidiaries disposed of during the year had been appropriately derecognised.

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, the following:

- We completed substantive audit procedures on all income streams across the Group, ensuring that income has been recognised correctly based on the agreement / contracts in place and in line with when performance obligations have been discharged in accordance with IFRS 15: Revenue from Contracts with Customers.
- We reviewed the working papers relevant to the Group's revenue recognition prepared by component Auditors to ensure sufficient audit evidence had been obtained at component level.
- We completed cut off testing across all income streams, ensuring that they had been recognised in the correct period.
- We reviewed disclosures relating to revenue recognition within the notes to the financial statements to ensure they were comprehensive and accurate.

Independent Auditors' Report continued

To the members of Bigblu Broadband plc

AUDIT RISK

Going Concern

Management's rationale for their going concern assessment is set out in note 1 of these financial statements.

The Group recorded a substantial cash inflow as a result of the disposal transaction which took place on 30 September 2020. This has resulted in a significant reduction in debt and a cash position of £15.3m as at 30 November 2020.

The Group recorded a loss from continuing operations of £4.9m in the year. As at 30 November 2020 net current assets were £6.0m, with loans of £7.9m (subject to covenants) included within non-current liabilities.

The Group recorded a substantial cash inflow as a result of the disposal transaction which took place on 30 September 2020. This has resulted in a significant reduction in debt and an enhanced cash position. As the cost and trading profile of the Group has changed, there has been a fundamental shift in the assumptions relating to going concern.

There is therefore a potential risk associated with going concern should debt become repayable, and the Group record significant operating and investing cash outflows in the forthcoming 12 months.

HOW WE RESPONDED TO THE RISK

Our audit work included, but was not restricted to, the following:

- We obtained budgets and cashflow forecasts, reviewed the methodology behind these, ensured they were arithmetically correct and challenged the assumptions used in preparing them.
- We obtained post year end trading results and compared these to budget to ensure budgeting is reasonable and results are in line with expectations.
- We completed sensitivity analysis on the budgets provided to assess the change in turnover or costs that would need to occur to push the Group into a cash negative position.
- We reviewed the Group's loan covenant reporting covering the financial year and up to the date of approval of the financial statements.
- We discussed plans for the Group going forward with management, including their assessment of and sensitivities surrounding the impact of the ongoing COVID-19 pandemic, ensuring these had been incorporated into the budgeting and would not have an impact on the going concern status of the Group.
- We discussed the intentions of management with regards to the ongoing activities of the business, also incorporating our review of post balance sheet events into this assessment.
- We reviewed the post year end cash balances and loan covenant compliance to ensure no evidence of liquidity issues.

Disposal of satellite operations subsidiary entities

The Group underwent a significant restructure during the year with the disposal of all subsidiaries that were involved with the provision of broadband through satellite operations.

The Group has presented the results of these subsidiaries within discontinued operations, also recognising a gain on their disposal of £18.9m.

There is a risk of an inaccurate allocation of results between continuing and discontinued operations. There is also a risk of misstatement of the gain on disposal either through inaccurate calculation of consideration receivable, or misallocation of income and expenditure (arising from either continuing or discontinued operations) to the disposal gain.

Our audit work included, but was not restricted to, the following:

- We reviewed the calculations for the gain on disposal and ensured that this was in line with the relevant sale and purchase agreement.
- We performed substantive and analytical procedures on the individual balance sheets of the companies disposed of.
- We considered the allocation of costs to discontinued operations and the appropriateness of the presentation of these transactions.
- We reviewed the consideration receivable position and the appropriateness of its recognition as at 30 November 2020.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of misstatements and in forming an 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 need, to reduce to an appropriately low level the risk that the aggregate of uncorrected and undetected misstatement exceeds materiality for the financial statements as a whole.

The materiality for the Group financial statements as a whole was set at £300,000 (30 November 2019: £500,000). This was determined with reference to 1.25% of turnover and 5% of EBITDA, being the Group's main KPI.

On the basis of our risk assessment and review of the Group's control

environment, performance materiality was set at 75% of materiality, being £225,000 (30 November 2019 – 75% of materiality being £375,000).

The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £15,000 (30 November 2019 – £25,000). If in our opinion differences below this level warranted reporting on qualitative grounds, these would also be reported.

The materiality for the Parent Company financial statements was set at £300,000 (30 November 2019 – £334,000). This was determined with reference to 0.5% of gross assets, as the Company is a holding company for investments, and debt and equity raises, and does not trade.

On the basis of our risk assessment and review of the Parent Company's control environment, performance materiality was set at 75% of materiality, being £225,000 (30 November 2019 – 75% of materiality being £250,500).

The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £15,000 (30 November 2019 – £25,200). If in our opinion differences below this level warranted reporting on qualitative grounds, these would also be reported.

An overview of the scope of our audit

Our audit approach is based on obtaining and maintaining a thorough understanding of the Group's business, structure and scope in order to undertake a risk-based audit approach. This approach requires us to identify relevant and appropriate key and significant risks of misstatement and determine the most appropriate tailored responses to this risk assessment. The extent of our work is determined by the level of risk in each area and our assessment of materiality as discussed above.

Our audit scope included all components and was performed to component materiality. Our audit work therefore considered 100% of Group revenue, Group profit and Group assets and liabilities. It was performed to the materiality levels set out above. The audits of Bigblu Norge AS and SkyMesh Pty Ltd were performed by component auditors in accordance with our group audit instructions. The subsidiaries BorderNET Internet Pty Ltd and Clannet Broadband Ltd were exempt from statutory audits and were audited to Group materiality.



Independent Auditors' Report continued

To the members of Bigblu Broadband plc

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 Auditors' 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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 Auditors' report.

Use of our report

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

Christopher Cork

Christopher Cork

(Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP

Statutory Auditors

10 Queen Street Place

London

EC4R 1AG

31 March 2021



Consolidated Statement of Comprehensive Income

For the year ended 30 November 2020

Registered Number 09223439

	Note	2020 £'000	2019 £'000
Revenue from contracts with customers	2	27,174	26,827
Cost of sales		(13,604)	(13,656)
Gross profit		13,570	13,171
Distribution expenses		(7,875)	(7,354)
Administrative expenses		(3,337)	(3,084)
Operating profit	3	2,358	2,733
Finance costs	7	(6,959)	(2,580)
Profit/(Loss) before tax		(4,601)	153
Taxation on operations	8	(316)	(262)
(Loss) from continuing operations		(4,917)	(109)
Profit/(Loss) from discontinued operations	13	14,350	(7,912)
Profit/(Loss) for the year		9,433	(8,021)
Other comprehensive expense			
Foreign currency translation difference		(204)	(879)
Total comprehensive income/(expense) for the year		9,229	(8,900)
Total comprehensive income / (expense) for the year is attributable to:			
Owners of Bigblu Broadband Plc		9,456	(8,816)
Non-controlling interests		(227)	(84)
Earnings/(Loss) per share from profit/(loss) attributable to the ordinary equity holders of the Company			
Basic EPS	9	16.8p	(13.9p)
Diluted EPS	9	16.6p	(13.8p)
Earnings/(Loss) per share from continuing operations attributable to the ordinary equity holders of the Company			
Basic EPS	9	2.7p	(0.1p)
Diluted EPS	9	2.6p	(0.1p)

The notes on pages 71 to 98 form an integral part of these financial statements.

Consolidated Statement of Financial Position

For the year ended 30 November 2020

Registered Number 09223439

	Notes	2020 £'000	2019 £'000
Assets			
Non-current assets			
Property, plant and equipment	10	10,876	15,865
Intangible assets	11	11,968	29,362
Investments	12	-	52
Deferred tax asset	19	501	643
Total non-current assets		23,345	45,922
Current assets			
Cash and cash equivalents	14	15,306	5,989
Inventory	15	896	3,911
Trade and other receivables	16	3,798	8,325
Total current assets		20,000	18,225
Total assets		43,345	64,147
Current liabilities			
Trade and other payables	17	(12,507)	(32,461)
Provisions for liabilities and charges	17	(1,468)	(328)
Total current liabilities		(13,975)	(32,789)
Non-current liabilities			
Other payables	18	(2,628)	(4,409)
Loans	18	(7,877)	(20,187)
Deferred tax liability	19	(104)	(234)
Total non-current liabilities		(10,609)	(24,830)
Total liabilities		(24,584)	(57,619)
Net assets		18,761	6,528
Equity			
Share capital	20	8,638	8,636
Share premium	20	23,919	23,900
Share option reserve	21	2,614	2,282
Other equity reserve	21	1,294	271
Foreign exchange translation reserve	21	(2,569)	(2,225)
Reverse acquisition reserve	21	(3,317)	(3,317)
Listing cost reserve	21	(219)	(219)
Merger relief reserve	21	16,233	16,233
Retained losses		(32,403)	(42,412)
Capital and reserves attributable to owners of Bigflu Broadband Plc		14,190	3,149
Non-controlling interests		4,571	3,379
Total equity		18,761	6,528

Approved by the Board on 31 March 2021 and signed on its behalf by:



Andrew Walwyn

Chief Executive Officer

The notes on pages 71 to 98 form an integral part of these financial statements.

Company Statement of Financial Position

For the year ended 30 November 2020

Registered Number 09223439

	Notes	2020 £'000	2019 £'000 Restated
Assets			
Non-current assets			
Investments	12	52,393	18,018
Total investments		52,393	18,018
Current assets			
Cash and cash equivalents	14	10,700	-
Trade and other receivables	16	1,247	24,466
Total current assets		11,947	24,466
Liabilities			
Current liabilities			
Trade and other payables	17	(2,371)	(3,556)
Provisions for liabilities and charges	17	(1,468)	(328)
Total current liabilities		(3,839)	(3,884)
Non-current liabilities			
Non-current loans	18	(7,877)	(19,978)
Net assets		52,624	18,622
Equity			
Share capital	20	8,638	8,636
Share premium	20	23,919	23,900
Share option reserve	21	2,614	2,282
Other equity reserve	21	1,294	271
Listing cost reserve	21	(219)	(219)
Merger relief reserve	21	16,233	16,233
Retained profits / (losses)		145	(32,481)
Total equity		52,624	18,622

In accordance with section 408 of the Companies Act 2006 the parent company has not presented its own Income Statement, which resulted in a profit of £32.6m (FY19: profit £3.7m).

Approved by the Board on 31 March 2021 and signed on its behalf by:



Andrew Walwyn

Chief Executive Officer

The notes on pages 71 to 98 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 November 2020

	Notes	2020 £'000	2019 £'000
(Loss) after tax from Continuing operations		(4,917)	(109)
Profit/(Loss) after tax from Discontinued operations		14,350	(7,912)
Profit/(Loss) for the year including discontinued operations		9,433	(8,021)
Adjustments for:			
Interest charge	7	7,108	2,622
Gain on disposal of subsidiaries	13	(18,928)	-
Goodwill impairment	11	213	3,286
Amortisation of intangible assets	11	1,626	4,071
Release of grant creditors	2	(772)	(1,051)
Depreciation of property, plant and equipment - owned assets	10	3,897	3,365
Depreciation of property, plant and equipment - ROU assets	10	1,680	1,245
Tax charge	8	316	262
Share-based payments	24	332	437
Foreign exchange variance and other non-cash items		(1,112)	118
(Increase) / Decrease in inventories		1,113	(1,961)
Decrease in trade and other receivables		4,527	1,615
Increase / (Decrease) in trade and other payables		(6,764)	1,146
(Gain) / loss on disposals of fixed assets		(167)	63
Cash generated from operations		2,502	7,197
Interest paid		(8,171)	(2,144)
Tax paid		(1)	-
Net cash (outflow) / inflow from operating activities		(5,670)	5,053
Investing activities			
Purchase of property, plant and equipment	10	(8,679)	(8,913)
Purchase of intangibles	11	(907)	(665)
Purchase of investments	11	-	(200)
Cash retained in disposed subsidiaries		(1,035)	-
Proceeds from sale of property, plant and equipment		45	-
Proceeds from sale of subsidiary	13	37,222	-
Net cash generated / (used) in investing activities		26,646	(9,778)
Financing activities			
Proceeds from issue of ordinary share capital		21	37
Proceeds from bank revolving credit facility		29,400	3,350
Loans (paid)		(41,353)	(142)
Investment by non-controlling interest		1,972	3,631
Principal elements of lease payments		(1,699)	(1,229)
Net cash (outflow) / inflow generated from financing activities		(11,659)	5,647
Net increase in cash and cash equivalents		9,317	922
Cash and cash equivalents at beginning of year		5,989	5,067
Cash and cash equivalents at end of year		15,306	5,989

Note that the presentation of the cashflow takes into consideration the combined Continued and Discontinued movements in cash. The notes on pages 71 to 98 form an integral part of these financial statements.

Company Statement of Cash Flows

For the year ended 30 November 2020

	2020 £'000	2019 £'000
Profit for the year	32,626	3,710
Adjustments for:		
Interest charge	6,680	2,320
Share-based payments	332	437
(Increase) in trade and other receivables	(9,323)	(10,179)
(Decrease) / Increase in trade and other payables	(45)	1,252
Cash inflow / (outflow) from operating activities	30,270	(2,460)
Interest paid	(1,030)	(1,842)
Financing activities		
Proceeds from issue of ordinary share capital	21	37
Proceeds from bank revolving credit facility	29,400	3,350
Repayment of bank revolving credit facility	(29,250)	-
Repayment of loans	(12,000)	-
Repayment of BGF redemption premium	(5,511)	-
BGF penalty interest	(1,200)	-
Net (outflow) / inflow cash generated from financing activities	(18,540)	3,387
Net increase / (decrease) in cash and cash equivalents	10,700	(915)
Cash and cash equivalents at beginning of year	-	915
Cash and cash equivalents at end of year	10,700	-

The notes on pages 71 to 98 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 November 2020

	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 £'000	Non- controlling interest £'000	Total equity £'000
At 1 December 2018		8,506	23,900	1,460	(35,137)	271	(2,156)	(3,317)	(219)	16,233	9,541	-	9,541
Loss for the year		-	-	-	(7,937)	-	-	-	-	-	(7,937)	(84)	(8,021)
Issue of shares	18	130	-	385	-	-	-	-	-	-	515	-	515
Acquisition of shares in subsidiary by non- controlling interest	12	-	-	-	1,541	-	-	-	-	-	1,541	3,463	5,004
Equity settled share- based payments	23	-	-	437	-	-	-	-	-	-	437	-	437
Other comprehensive expense		-	-	-	(879)	-	(69)	-	-	-	(948)	-	(948)
At 30 November 2019		8,636	23,900	2,282	(42,412)	271	(2,225)	(3,317)	(219)	16,233	3,149	3,379	6,528
Profit / (Loss) for the year		-	-	-	9,660	-	-	-	-	-	9,660	(227)	9,433
Issue of shares	18	2	19	-	-	-	-	-	-	-	21	-	21
Acquisition of shares in subsidiary by non- controlling interest	12	-	-	-	553	-	-	-	-	-	553	1,419	1,972
Equity settled share- based payments	23	-	-	332	-	1,023	-	-	-	-	1,355	-	1,355
Other comprehensive expense		-	-	-	(204)	-	(344)	-	-	-	(548)	-	(548)
At 30 November 2020		8,638	23,919	2,614	(32,403)	1,294	(2,569)	(3,317)	(219)	16,233	14,190	4,571	18,761

The notes on pages 71 to 98 form an integral part of these financial statements.

Company Statement of Changes in Equity

For the year ended 30 November 2020

	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 2018		8,506	23,900	1,460	(219)	271	16,233	(36,191)	13,960
Profit for the year		-	-	-	-	-	-	3,710	3,710
Issue of shares		130	-	385	-	-	-	-	515
Equity-settled share-based payments	24	-	-	437	-	-	-	-	437
At 1 December 2019		8,636	23,900	2,282	(219)	271	16,233	(32,481)	18,622
Profit for the year		-	-	-	-	-	-	32,626	32,626
Issue of shares	20	2	19	-	-	-	-	-	21
Equity-settled share-based payments	24	-	-	332	-	1,023	-	-	1,355
At 30 November 2020		8,638	23,919	2,614	(219)	1,294	16,233	145	52,624

The notes on pages 71 to 98 form an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 30 November 2020

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 Broadband House, The Old Bakery, Victoria Road, Bicester, OX26 6PB. 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 2020 were authorised for issue by the Board on 31 March 2021 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 2020. 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 2020

The following new and revised Standards and Interpretations have been adopted in the current year.

- Definition of Material (Amendments to IAS 1 and IAS 8)

The adoption of this standard has not had a material impact on the financial statements.

STANDARDS ISSUED AND NOT YET EFFECTIVE

The following new and revised Standards and Interpretations are issued. The Group intends to adopt these standards in 2021 and are not currently effective:

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)

Of the standards and interpretations in issue but not yet effective, none is expected to have a material impact on the results and financial position of the Group.

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 4 to 29. The financial position of the Group, its cash flows and liquidity position are described in the Finance Review on pages 12 to 23. In addition, note 25 to the financial statements 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 2020 the Group generated an adjusted EBITDA from continuing operations before a number of non-cash and start-up costs expenses as shown on page 15, of £6.2m (FY19: £4.8m), and with cash inflow from operations before interest, tax and capital expenditure, of £3.8m (FY19: inflow of £0.7m) and a net increase in cash and cash equivalents of £9.3m in the year (FY19: increase £0.9m). The Group balance sheet showed net cash and cash equivalents at 30 November 2020 of £15.3m (FY19: £6.0m).

Having reviewed the Group's budgets, projections, prospective covenant compliance, and funding requirements, and taking account of reasonable possible changes in trading performance over the next 12 months, particularly in light of COVID-19 risks and counter measures, 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.

Notes to the Financial Statements

continued

For the year ended 30 November 2020

1. Accounting Policies continued

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 as outlined in the Strategic report to reduce costs and free cash flow. The latest management information in terms of volumes, debt position, ARPU and churn are in fact showing a positive position compared to prior year and budget as a result of each government's response to COVID-19 resulting in the remote working position of individuals across our key territories. The forecasts for the combined Group 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, rental of equipment and other service charges, connection fees and equipment sales. Customers can acquire either single or multiple products and services, with the principal service being the provision of airtime. Airtime usage represents the monthly or other periodic subscription charge for use of the Satellite or Fixed Wireless broadband solution that we provide. These are incremental amounts selected by the customer independent of their decision whether to purchase or rent equipment. The performance obligation is discharged by ensuring that the service contracted for is available throughout the invoiced period and revenue is recognised on an even basis over the period during which the airtime is provided. We describe this as recurring revenue, by which we mean that it is contracted for a period of time and can be renewed.

Service charges include rental of equipment where the customer has not purchased it outright. The performance obligation is fulfilled by ongoing availability of the equipment in a working condition and is accounted for over the contracted period during which the customer has the right of use. Usually, rental charges are made monthly in advance. Where the period charged for includes a number of days after the end of the accounting period, we treat the revenue for those days as being deferred, calculated on a prorated daily basis. Other service charges also include sundry fees, such as charges for non-return of rental equipment, all of which are accounted for at a point in time when the relevant performance obligation is satisfied by an identified action (see below in this section for further detail).

Connection fees refer to the installation of Satellite or Fixed Wireless receiving equipment charged to our customer, plus revenue received from our third-party satellite providers in the form of an activation rebate for every new connection. Distinct performance obligations apply to each of these charges and we account for the revenue at a point in time when the relevant action to satisfy these obligations is performed. The primary driver of this revenue is the activation of the services on our suppliers' networks.

Equipment sales primarily refer to the purchase of all hardware purchased by the customer and typically includes such items as satellite dishes, modems, transmit and receive integrated assemblies ("TRIAS"), poles and routers or other similar equipment. The performance obligation is to deliver the product or products to the customer as distinct from activating a customer to the broadband service. Such products are typically despatched same day or within 24 hours and so we account for these despatches as revenue at the point in time when delivery to the customer is performed and the performance obligation is complete. However, note that in the majority of the Group's contracts equipment is supplied to customers in exchange for a periodic rental, which is subject to a different performance obligation as described above.

Revenue streams from contracts under the PPP commercial arrangement recognised for the first time in 2019 are accounted for in compliance with IFRS 15 when the performance obligations are satisfied at a point in time as follows:

- Logistics/installation bonuses: upon delivery or installation of equipment to the customer
- Activation fees and bonuses: upon activation, being connection of the customer to the partner's network,
- Marketing support: upon achieving agreed targets.
- Non-return of kit fees, damaged kit fees: 28 days after cancellation or when returned kit is assessed as damaged.

Following the disposal during the year, the PPP agreement with EBI was terminated although a similar commercial agreement was arranged with Bigblu Norge AS, which commenced after the disposal. Thus, in 2020, the majority of revenue earned in relation to the PPP agreement is included in the results of the discontinued operations. The PPP specific revenue referred to above forms only a minor part of the revenue from continuing operations.

1. Accounting Policies *continued*

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. Gains or losses on disposal are included in the 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 and using discount cashflow valuations based on future operating profits. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial Statements

continued

For the year ended 30 November 2020

1. Accounting Policies continued

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

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
- Intellectual property – 3 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.

1. Accounting Policies *continued*

SHARE-BASED PAYMENTS

The Group operates share option schemes in which certain employees of the Group can be awarded share options in return for services provided to the Group. The fair value of the employee services received in exchange for the grant of share options is recognised as an expense over the vesting period.

Where share options and warrants are issued to providers of other services or financing, the fair value ascribed to such services or financing is attributed to the options and recognised over the provision of the relevant obligation.

PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Where it is considered possible, rather than probable, that the Group will be required to settle an obligation arising from a past event, or the amount required to make settlement cannot be reliably estimated, a contingent liability is disclosed but no associated amount is recognised in the balance sheet.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

LEASES

As a lessee

The Group leases various offices, warehouses, items of equipment and vehicles. The Group's Quickline and Bigblu Norge subsidiaries also lease space for locating equipment for their fixed wireless network infrastructures and fibre comprising part of their backbone networks.

As indicated above, the Group has adopted IFRS 16 Leases from 1 December 2018 resulting in a change of accounting policy. Until 30 November 2018 leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership, were classified as finance leases. Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (note 22). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Under the current policy, the Group assesses whether a contract contains a lease, at the date of its inception. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted by using the rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Notes to the Financial Statements

continued

For the year ended 30 November 2020

1. Accounting Policies continued

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives.
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease liability is included in payables in the Statement of Financial Position under either Current or Non-current liabilities according to when the future lease payments fall due.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the payments made.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The right-of-use assets are included in Property, plant and equipment in the Statement of Financial Position.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise rental of small amounts of space for locating network infrastructure equipment and small items of office equipment. During 2020 the amount accounted for as low value assets was £65k (FY19: £69k) primarily as a result of excluding leases for space to locate repeater equipment owned by Bigblu Norge with an individual annual cost of less than £500.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term (note 22). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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 recognised as other comprehensive income or to an item recognised 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 recognised 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.

1. Accounting Policies *continued*

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.

DISCONTINUED OPERATIONS

Discontinued operations are a component of the Group that has been disposed of and that represents a separate major line of business or geographical area of operations. The gain on disposal reported in the current financial year takes into consideration the proceeds less the carrying value of the net assets position at the date of disposal for discontinued operations, and all associated costs considered incremental and directly attributable to the disposal transaction. The results of discontinued operations are presented separately in the Consolidated Statement of Comprehensive Income. Cash flows associated with discontinued operations are presented within the Consolidated Statement of Cash flows, with analysis of the elements related to discontinued operations presented separately in note 13.

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) 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.

(b) Share-based compensation

The Group issues equity settled share-based payments to certain Directors and employees, which have included grants of shares 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.

Notes to the Financial Statements

continued

For the year ended 30 November 2020

1. Accounting Policies continued

(c) Forecasting

The Group prepares medium-term forecasts based on Board approved budgets and three-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.

(d) 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:

- 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 dependent on the customer base which factors in location, economy and history of the previous business. The contract value will be reviewed annually for impairment.
- Intellectual property based on estimated fair value.
- Capitalisation of internal staff for development of systems and major projects is calculated on a time basis and charged to intangible assets and amortised over the agreed policy in place for such assets.

(e) 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.

(f) Contingent liabilities/provisions

Judgement is required in ascertaining the carrying value of any provisions or contingent liabilities where there is support available, but uncertainty as to the amount that will ultimately be settled. Any provisions are estimated based on facts relevant at the reporting date and reported in the relevant sections of the notes to the accounts. Such estimates are considered inherently uncertain and outcomes may ultimately differ materially from the provision made. Where no provision has been made but an outflow of economic benefit remains possible, a contingent liability is disclosed. The distinction between probable and possible is a matter of the Directors' judgement.

2. Continuing Operations Revenue

	2020 £'000	2019 £'000
Recurring revenue - airtime	25,012	23,586
Recurring revenue - other	624	751
Government grant income	772	1,051
Other non-recurring revenue	766	1,439
	27,174	26,827

SEGMENTAL SPLIT OF CONTINUING OPERATIONS REVENUE

The Group's operations are located in Australia, Norway and the UK 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	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
United Kingdom	4,323	4,268	17,845	30,254
Europe	6,260	8,407	1,838	12,080
Rest of World	16,591	14,152	3,662	3,588
	27,174	26,827	23,345	45,922

3. Profit from Group Operations

	Continuing operations		Discontinued operations	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
The profit (FY19 – loss) has been arrived at after charging/(crediting) the following:				
Depreciation of property, plant & equipment - owned assets (note 10)	1,464	1,468	2,433	1,897
Depreciation of property, plant & equipment - ROU assets (note 10)	1,355	1,105	325	140
Amortisation of intangible assets (note 11)	69	(176)	1,557	4,071
Goodwill impairment charges (note 11)	213	-	-	3,286
Gain on sale of discontinued operation (note 13)	-	-	(18,928)	-
Operating lease payments (note 22)	1,566	1,325	360	190
Operating lease receipts (note 22)	-	-	304	283
Share-based payments (note 24)	1,355	437	-	-
Wages & salaries and social security costs (note 5)	6,335	6,265	5,789	6,548
Pension costs (note 5)	236	231	82	74
(Profit) / Loss on disposal of fixed assets	(45)	15	-	-

Notes to the Financial Statements

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For the year ended 30 November 2020

4. Auditors' Remuneration

	2020 £'000	2019 £'000
Audit services		
Fees payable to the Group's Auditors for the audit of the Group's annual accounts	79	81
Fees payable to the Group's Auditors for other services:		
Audit of the accounts of subsidiaries	35	45
Tax fees	-	10
Other services	8	5
	134	141

5. Staff Costs

The aggregate remuneration of all employees (including Directors), for both the continuing and discontinued operations, comprised:

	Continuing operations		Discontinued operations	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Directors' Remuneration – continuing operations				
Wages and salaries	5,828	5,711	5,120	5,626
Social security costs	507	554	669	922
Pension costs	236	231	82	74
	6,571	6,496	5,871	6,622

The average monthly number of people (including the Executive Directors) employed during the year by category of employment were as follows, including the staff employed by the discontinued operations:

	Continuing operations		Discontinued operations	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Operating staff	90	88	83	86
Sales Staff	16	18	17	17
Management and administrative staff	35	36	42	42
	141	142	142	143

6. Directors' Remuneration – continuing operations

	2020 £'000	2019 £'000
Salaries	1,133	922
Fees	197	194
Benefits	31	6
Pension costs	19	21
	1,380	1,143

The highest paid Director's aggregate remuneration was £537k (FY19: £317k) including pension contributions of £9k (FY19: £10k). £438k of bonuses paid were relating to the sale of the discontinued business and are charged against the gain from the sale, with the remaining £942k charged to the continuing business. Details of Directors' remuneration, including pension contributions, are set out in the Directors' Report on page 30.

7. Finance Costs

	2020 £'000	2019 £'000
BGF unsecured loan interest payable	55	1,200
Bank loan interest payable	87	12
Revolving credit facility interest payable	1,117	344
Lease interest expense	262	286
Total interest payable	1,521	1,842
BGF penalty interest	1,408	-
BGF redemption premium and finance charges	4,179	780
Total finance costs	7,108	2,622
Finance costs include the following amounts charged to the discontinued operations:		
Bank loan interest payable	87	3
Lease interest expense	62	39
Total interest payable	149	42
Split as follows:		
Continuing operations	6,959	2,580
Discontinued operations	149	42
Total finance costs	7,108	2,622

Interest payable on the revolving credit facility is 2.95% + LIBOR. Interest paid in the year amounts to £1.3m. BGF finance charges include £1.02m share-based payment relating to the issuance of new options as replacement for the convertible loan note of £2.4m redeemed, on the same terms as the original loan conversion of 1.8m shares at 135p. This is calculated using the Group WACC rate of 4.50% on a net present value basis.

8. Taxation

A) TAX CHARGE FOR THE YEAR

	2020 £'000	2019 £'000
UK Corporation tax	(57)	-
Overseas corporation tax	305	142
Deferred tax charge / (credit)	68	120
Current tax charge	316	262

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:

	2020 £'000	2019 £'000
(Loss)/Profit on ordinary activities before tax	(4,601)	153
Tax at UK corporation tax rate of 19% (FY19: 19%)	(874)	29
Tax effect of expenses that are not deductible in determining taxable profit	856	658
Adjustment for prior periods	(72)	-
Deferred tax not recognised *	478	(516)
Foreign tax rate differences	89	-
Changes in deferred tax rate	(161)	91
Tax charge at effective tax rate for the year	316	262

Notes to the Financial Statements

continued

For the year ended 30 November 2020

8. Taxation continued

C) DEFERRED TAX

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

	2020 £'000	2019 £'000
Deferred tax asset	501	643
Deferred tax liability	(104)	(234)
	397	409

* Note that deferred tax assets on losses have not been recognised to the extent they are considered recoverable in the foreseeable future.

9. Profit/(Loss) Per Share

Basic earnings per share is calculated by dividing the profit / (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 the year ended 2019, as the Group was loss-making with outstanding share options, net loss per share would be decreased by the exercise of options. Therefore, as per IAS 33, section 36, the antidilutive potential ordinary shares for the comparative period 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:

	30 November 2020		
	Profit/(Loss) £'000	Weighted average number of shares	Per share amount Pence
Basic and diluted EPS			
Profit for the financial year	9,433		
Add: adjustment for non-controlling interest share of losses	(227)		
Basic EPS – Profit attributable to Shareholders	9,660	57,589,857	16.8
Adjusted EPS – Profit attributable to Shareholders from continuing operations	1,527*	57,589,857	2.7
Basic diluted EPS – Profit attributable to Shareholders	9,660	58,027,855	16.6
Adjusted diluted EPS – Profit attributable to Shareholders from continuing operations	1,527*	58,027,855	2.6

	30 November 2019		
	Loss £'000	Weighted average number of shares	Per share amount pence
Basic and diluted EPS			
Loss for the financial year	(8,021)		
Less: adjustment for non-controlling interest	84		
Basic EPS – Loss attributable to Shareholders	(7,937)	56,932,172	(13.9)
Adjusted EPS – Loss attributable to Shareholders from continuing operations	(45)**	56,932,172	(0.1)
Basic diluted EPS – Loss attributable to Shareholders	(7,937)	57,370,170	(13.8)
Adjusted diluted EPS – Loss attributable to Shareholders from continuing operations	(45)**	57,370,170	(0.1)

* Whilst this is a non-GAAP measure, the profit attributable to Shareholders from continuing operations is £1.5m, after adjusting for the gain from the sale of the discontinuing operations and adding back exceptional costs.

** Whilst this is a non-GAAP measure, the loss attributable to Shareholders from continuing operations is £45k, after adjusting for the loss from discontinuing operations and exceptional costs.

The profit attributable to Shareholders of £9.7m (FY19: £7.9m loss) is the profit for the financial year of £9.4m (FY19: £8.0m loss) after adjusting for the add back of the loss attributable to non-controlling interests of £0.2m (FY19: £0.1m loss).

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						
At 1 December 2018	1,931	21,979	1,605	279	3,764	29,558
Exchange differences	(106)	(1,969)	(45)	(8)	(228)	(2,356)
Additions	1,472	1,833	285	101	6,712	10,403
Disposals	(332)	(2)	(186)	(56)	(254)	(830)
Asset reclassification	51	(284)	(449)	7	675	-
At 30 November 2019	3,016	21,557	1,210	323	10,669	36,775
Exchange differences	65	105	39	4	189	402
Additions	314	6,040	1,149	249	3,114	10,866
Disposals	(1,669)	(2,215)	(1,391)	(212)	(13,789)	(19,276)
At 30 November 2020	1,726	25,487	1,007	364	183	28,767
Accumulated depreciation						
At 1 December 2018	1,131	14,814	778	110	2,165	18,998
Exchange differences	(48)	(1,737)	(30)	(7)	(61)	(1,883)
Depreciation charge	361	2,205	145	92	1,807	4,610
Disposals	(332)	(2)	(185)	(49)	(247)	(815)
Depreciation on reclassified assets	11	(221)	195	-	15	-
At 30 November 2019	1,123	15,059	903	146	3,679	20,910
Exchange differences	28	104	27	3	51	213
Depreciation charge	374	2,397	382	97	2,327	5,577
Disposals	(707)	(1,229)	(663)	(153)	(6,057)	(8,809)
At 30 November 2020	818	16,331	649	93	-	17,891
Net book value						
At 30 November 2020	908	9,156	358	271	183	10,876
At 30 November 2019	1,893	6,498	307	177	6,990	15,865

Notes to the Financial Statements

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For the year ended 30 November 2020

10. Property, Plant & Equipment – Group

RIGHT-OF-USE ASSETS

Group property, plant & equipment includes the following values for right-of-use assets

	Land & buildings £'000	Fixtures, fittings & infrastructure £'000	IT hardware & software £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 December 2018	1,702	8,577	-	251	10,530
Exchange differences	(101)	(593)	-	(6)	(700)
Additions	1,306	127	-	57	1,490
Disposals	(332)	-	-	(28)	(360)
At 30 November 2019	2,575	8,111	-	274	10,960
Exchange differences	61	17	1	2	81
Additions	277	962	865	83	2,187
Disposals	(1,530)	(2,018)	(821)	(140)	(4,509)
At 30 November 2020	1,383	7,072	45	219	8,719
Accumulated depreciation					
At 1 December 2018	1,040	4,245	-	94	5,379
Exchange differences	(46)	(371)	-	(4)	(421)
Depreciation charge	294	874	-	77	1,245
Disposals	(332)	-	-	(21)	(353)
At 30 November 2019	956	4,748	-	146	5,850
Exchange differences	25	15	2	1	43
Depreciation charge	341	1,049	215	75	1,680
Disposals	(689)	(998)	(191)	(88)	(1,966)
At 30 November 2020	633	4,814	26	134	5,607
Net book value					
At 30 November 2020	750	2,258	19	85	3,112
At 30 November 2019	1,619	3,363	-	128	5,110

11. Intangible Assets - Group

	Goodwill £'000	Customer contracts £'000	Software £'000	Intellectual property £'000	Total £'000
Cost					
At 1 December 2018	29,067	21,188	1,547	3,050	54,852
Additions	-	-	540	-	540
Reclassification of IP	-	-	529	(529)	-
Disposals	-	-	-	(56)	(56)
Exchange difference	(101)	(439)	1	-	(539)
Acquired through business combinations	214	96	-	15	325
At 30 November 2019	29,180	20,845	2,617	2,480	55,122
Additions	-	217	690	-	907
Disposals of assets of discontinued operations	(17,541)	(17,203)	(3,180)	(2,465)	(40,389)
Other disposals	-	(81)	-	-	(81)
Exchange difference	410	402	-	-	812
At 30 November 2020	12,049	4,180	127	15	16,371
Accumulated amortisation					
At 1 December 2018	111	17,774	870	10	18,765
Impairment charge	3,286	-	-	-	3,286
Amortisation	-	1,221	764	2,086	4,071
Exchange differences	(6)	(348)	(8)	-	(362)
At 30 November 2019	3,391	18,647	1,626	2,096	25,760
Impairment charge	213	-	-	-	213
Amortisation	-	972	654	-	1,626
Accumulated amortisation of assets of discontinued operations	(3,400)	(15,734)	(2,280)	(2,081)	(23,495)
Other disposals	-	(81)	-	-	(81)
Exchange differences	8	372	-	-	380
At 30 November 2020	212	4,176	-	15	4,403
Net book value					
At 30 November 2020	11,837	4	127	-	11,968
At 30 November 2019	25,789	2,198	991	384	29,362

The carrying amount of goodwill has been reduced to its recoverable amount through recognition of impairment losses of £0.2m (FY19: £nil) against goodwill relating to JHCS Ltd which is now carried at a recoverable amount of £nil. Impairment charges are included in Administrative expenses in the Statement of comprehensive income.

The carrying amount of goodwill relating to Quickline Communications Ltd is unaffected by the disposal of a non-controlling interest in Quickline Holdings Ltd detailed in note 12.

Notes to the Financial Statements

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For the year ended 30 November 2020

12. Investments

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000 Restated
Subsidiaries	-	-	52,393	18,018
Customer contracts	-	52	-	-
	-	52	52,393	18,018
Opening balance	52	52	18,018	5,625
Additions during the year:				
Acquisition of subsidiaries from Group undertaking	-	-	40,000	12,393
Disposal of subsidiary	(52)	-	(5,625)	-
	-	-	52,393	18,018

The cost of investments held by the Company at 30 November 2019 was increased by £12.39m as a result of reclassifying amounts due from Group undertakings as an investment transferred at market value.

SUBSIDIARY UNDERTAKINGS

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

NON-CONTROLLING INTEREST IN QUICKLINE HOLDINGS LTD

As reported last year, in August 2019 Quickline Holdings Limited ("Quickline"), a subsidiary of BBB and new holding company for Quickline Communications Limited, secured £12m of new equity and debt funding to support the build-out of its fibre backed fixed wireless network business across the UK.

The funding included £4m of new equity, initially with a further £4m of equity committed from investors listed below and a £4m revolving credit facility provided by HSBC. This was put in place to allow Quickline to expand its infrastructure, consider selective acquisitions and target grants issued by BDUK to support investment in rural broadband projects.

During the year £2m of the further £4m of equity was invested by the original investors, reducing BBB's shareholding in Quickline to 62.69% (FY2019: 69.7%) as at 30 November 2020. The final tranche of the committed equity investment was received in December 2020 as detailed in note 28 following the securing of a further BDUK grant. BBB continues to fully consolidate Quickline into its accounts as it retains control.

Funds managed by Harwood Capital, which manages or advises BBB's two largest, Shareholders, have provided £7.75m of equity. Paul Howard (BBB Non-Executive Director) has provided £0.25m and has become Chairman of Quickline. Frank Waters, BBB CFO, joined the board of Quickline following the departure of Simon Clifton. Steve Jagger, Quickline's founder and CEO, re-invested his final earn-out payment of £1.4m into Quickline for an initial shareholding of 7.7%.

The shares in Quickline held by the Harwood Funds, Paul Howard and Steve Jagger (other than any Growth Shares as referred to below) have a capital preference on a capital return equal to 1.25 times the subscription price. The preference will be increased, after the second anniversary of issue of each tranche of their shares, at 10% per annum compounded annually and accrued quarterly.

In addition, Steve Jagger, Paul Howard and certain members of the Quickline management team were eligible to acquire growth shares in Quickline which will entitle them to 10% of the value realised in the event of a sale of Quickline or liquidity event above a hurdle linked to the post-investment value of Quickline plus the investors' capital preference.

The growth share scheme was implemented during the year with 100,000 shares in Quickline issued.

12. Investments *continued*

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	Number of shares	% held by parent
Bigblu Norge AS	Høgdaiveien 1, 1540 Vestby Norway	Ordinary	Bigblu Broadband plc	1,700,412 of 1.40Nok each	100%
SkyMesh Pty Ltd	51 Alfred Street, Fortitude Valley QLD 4006, Australia	Ordinary	Bigblu Broadband plc	20,898,680 of £0.196 each	100%
BorderNET Internet Pty Ltd	51 Alfred Street, Fortitude Valley QLD 4006, Australia	Ordinary	SkyMesh Pty Ltd	2,863,105 of £0.09 each	100%
Quickline Holdings Ltd***	3 Priory Court, Saxon Way, Priory Park, Hessele, HU13 9PB, United Kingdom	Ordinary	Bigblu Broadband plc	9,900,000 of £0.00001	62.7%
Quickline Communications Ltd	3 Priory Court, Saxon Way, Priory Park, Hessele, HU13 9PB, United Kingdom	Ordinary	Quickline Holdings Ltd	28,571,428 of £0.07 each	100%
Clannet Broadband Ltd *	3 Priory Court, Saxon Way, Priory Park, Hessele, HU13 9PB, United Kingdom	Ordinary	Quickline Communications Ltd	4 of £1 each	100%
BBB Ausco Limited**	Broadband House The Old Bakery Victoria Road Bicester Oxfordshire OX26 6PB United Kingdom	Ordinary	Bigblu Broadband plc	1 of £0.01	100%
BBB Norco Limited**	Broadband House The Old Bakery Victoria Road Bicester Oxfordshire OX26 6PB United Kingdom	Ordinary	Bigblu Broadband plc	1 of £0.01	100%

* This company is exempt from annual audit.

** Dormant companies.

*** The percentage holding of shares held by the parent entity also reflects the proportion of the voting rights.

Notes to the Financial Statements

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For the year ended 30 November 2020

13. Discontinued Operations

DESCRIPTION

On 30 September 2020 Bigblu Operations Ltd together with all its subsidiaries was sold to Eutelsat SA and is reported in the current year as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

	Group	
	2020 £'000	2019 £'000
Revenue	25,164	35,261
Expenses	(30,187)	(43,665)
(Loss) before tax	(5,023)	(8,404)
Taxation on operations	445	492
(Loss) after tax of discontinued operations	(4,578)	(7,912)
Gain on sale of the subsidiary after tax (see below)	18,928	-
Profit/(loss) from discontinued operations	14,350	(7,912)
Exchange differences on translation of discontinued operations	(292)	-
Other comprehensive income from discontinued operations	(292)	-
Net cash inflow/(outflow) from operating activities	3,491	(395)
Net cash inflow from investing activities	32,296	925
Net cash (outflow) from financing activities	(401)	(257)
Net increase in cash generated by the subsidiaries	35,386	273
Details of sale of subsidiary		
Consideration received or receivable:		
Cash	37,222	-
Fair value of contingent consideration	449	-
Total disposal consideration	37,671	-
Carrying amount of net assets sold	(16,058)	-
Expenses of sale	(1,217)	-
Other provisions (Note 17)	(1,468)	-
Gain on sale before tax	18,928	-
Corporation tax expense on gain	-	-
Gain on sale after tax	18,928	-

The carrying amount of assets and liabilities as at the date of sale (30 September 2020) were:

	30 September 2020 £'000
Property, plant and equipment	9,789
Intangible assets	16,892
Investments	53
Deferred tax asset	69
Cash and cash equivalents	1,035
Inventory	1,902
Trade and other receivables	28,896
Total assets	58,626
Trade and other payables	42,461
Loans	117
Total liabilities	42,578
Net assets	16,058

14. Cash and Cash Equivalents

	Group	
	2020 £'000	2019 £'000
Cash and bank accounts	15,306	5,800
Short-term deposits	-	189
	15,306	5,989

Cash held in the Company as at 30 November is £10.7m (FY19: £nil), which is included in the above.

15. Inventory

	Group	
	2020 £'000	2019 £'000
Finished goods	896	3,911

There is no material difference between the amounts stated above and replacement cost.

Write down of inventories to net realisable value amounted to £151k (FY19: £266k) of which £25k related to continuing operations. These costs were recognised as an expense during the year and included in Administrative expenses.

16. Trade and Other Receivables

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000 Restated
Trade receivables	708	2,618	40	-
Other receivables	1,486	2,605	187	25
Deferred consideration	449	-	449	-
Prepayments and accrued income	1,155	3,102	19	148
Amounts due from Group undertakings	-	-	552	24,293
	3,798	8,325	1,247	24,466

The amount due to the Company from Group undertakings at 30 November 2019 was adjusted by £12.39m as a result of reclassifying balances as an investment in a subsidiary (see note 12).

MOVEMENT IN PROVISION FOR IMPAIRMENT OF RECEIVABLES

Individually impaired

	2020 £'000	2019 £'000
As at 1 December 2019	1,796	1,329
(Credited) / Charged to income statement	(217)	2,199
Provision transferred on sale of subsidiaries	(1,358)	-
Utilised	(33)	(1,732)
As at 30 November 2020	188	1,796

The average credit days taken on sales of goods and services is 7 days (FY19: 20 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 £159k (FY19: £575k) which are past due at the reporting date. The Directors consider that the carrying amount of trade receivables approximates to their fair value.

Notes to the Financial Statements

continued

For the year ended 30 November 2020

16. Trade and Other Receivables continued

	2020 £'000	2019 £'000
Accounts receivable ageing:		
Current	549	2,043
30–60 days	41	296
60–90 days	22	30
90–120 days	96	249
As at 30 November 2020	708	2,618

The provision covers all debts in excess of 30 days past due.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 November 2020 or 1 December 2020 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

17. Trade and Other Payables

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade payables	5,893	11,750	701	561
Amounts due to Group undertakings	-	-	-	251
Other taxes and social security	1,198	2,760	577	253
Other payables	536	5,834	229	-
Accruals and deferred income	3,915	10,869	864	2,491
Lease liabilities	965	1,248	-	-
Provisions for liabilities and charges	1,468	328	1,468	328
	13,975	32,789	3,839	3,884

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average creditors days taken for trade purchases is 73 days (FY19: 120 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 £nil (FY19: £1.5m) of deferred consideration which relates to future years' profits in relation to acquisitions made during 2018 and 2019. The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

The Group recognises provisions in the relevant year's balance sheet based on estimates relating to certain outcomes, including restructuring costs, and costs associated with the M&A activities as presented in note 13. As in 2019, the provisions as at 30 November 2020 are expected to be utilised within the next 12 months following the end of the financial year, to cover any such costs.

Furthermore, the Group discloses a contingent liability at 30 November 2020 associated with its M&A activities that cover consideration settlements and commercial contract costs. No amount has been provided for in the Group's balance sheet in relation to this contingent liability, as the Directors do not consider an outflow of resources to be probable.

Further disclosure relating to provisions and contingent liabilities has not been presented, as permitted by IAS 37:92, due to the Directors' assessment of the sensitivity of ongoing commercial matters which would be prejudicial to the Group.

17. Trade and Other Payables continued

The breakdown of the provisions' carrying value is as follows:

	Group and Company 2020 £'000	Group and Company 2019 £'000
Restructuring costs	-	328
Other provisions (note 13)	1,468	-
Total provisions	1,468	328

Movements in the provision for restructuring and other costs during the year were as follows:

	Group and Company 2020 £'000	Group and Company 2019 £'000
Carrying amount at start of year	328	-
Utilised during the year	(328)	-
Charged to discontinued operations	1,468	328
Total provisions	1,468	328

18. Non-current Liabilities

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Unsecured loan	-	11,728	-	11,728
Revolving credit facility	7,877	8,250	7,877	8,250
Other loans	-	209	-	-
Total loans	7,877	20,187	7,877	19,978
Lease liabilities	2,628	4,409	-	-
Total	10,505	24,596	7,877	19,978

The unsecured loan was fully repaid in September 2020. The unsecured revolving credit facility obtained during the year is repayable by December 2024, and attracts interest at a variable rate of 2.95% + LIBOR. Finance leases attract interest at a rate of 6%. Other loans relate to deferred consideration payable greater than one year.

MATURITY OF LEASE LIABILITIES

	Group 2020 £'000	Group 2019 £'000
Due 1 – 2 years	994	1,211
Due 2 – 5 years	1,634	3,198
Total	2,628	4,409

Notes to the Financial Statements

continued

For the year ended 30 November 2020

18. Non-current Liabilities continued

MATURITY OF LOANS

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Due 1 – 2 years	-	209	-	-
Due 2 – 5 years	7,877	11,728	7,877	11,728
Due over 5 years	-	8,250	-	8,250
Total	7,877	20,187	7,877	19,978

19. Deferred Taxation

	2020 £'000	2019 £'000
At 1 December	(409)	(225)
Movement in relation to discontinued operations	(228)	-
Transfer to Statement of Comprehensive Income	240	(184)
At 30 November	(397)	(409)
Deferred tax is provided as follows:		
Accelerated capital allowances	530	563
Tax losses	(133)	-
Intangible assets	-	(154)
	397	409
Geographical split of deferred tax asset/(liability):		
United Kingdom	(100)	(163)
Europe	501	562
Rest of the world	(4)	10
	397	409

20. Share Capital

	Number of shares	Share capital £	Share premium £
At 30 November 2019	57,570,879	8,635,629	23,900,242
Shares issued in the year			
Shares issued at 15p each	18,978	2,847	18,560
At 30 November 2020	57,589,857	8,638,476	23,918,802

All shares issued during the year were as a result of share option exercises generating a total value of £21k.

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

21. 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.

21. Other Capital Reserves – Group

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. Costs of £Nil (FY19: £0.4m) were offset against the merger relief reserve during 2020.

REVERSE ACQUISITION RESERVE

The reverse acquisition reserve relates to the reverse acquisition of Bigblu Operations Limited (formerly Satellite Solutions Worldwide Limited) by Bigblu plc (formerly Satellite Solutions Worldwide Group plc) on 12 May 2015.

OTHER EQUITY RESERVE

Other equity relates to the equity element of the financing arrangements entered into with BGF, including the equity elements of compound financials instruments.

SHARE PREMIUM

Share premium represents the excess consideration over nominal value net of issue costs and amounts to £23.9m (FY19: £23.9m). Costs of £Nil (FY19: £Nil) were offset against the share premium account during 2020 in relation to funds raised from the issue of shares.

22. Lease Arrangements

THE GROUP AS LESSEE

The statement of profit or loss shows the following amounts relating to leases:

	Continuing operations		Discontinued operations	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Depreciation of ROU assets				
Land & buildings	223	171	118	123
Fixtures, fittings & infrastructure	1,048	873	1	1
IT hardware and software	26	-	189	-
Motor vehicles	58	61	17	16
	1,355	1,105	325	140
Interest expense (included in finance cost)	200	247	62	39
Expense relating to short-term leases (included in administrative expenses)	-	-	-	108
Expense relating to leases of low-value assets (included in administrative expenses)	65	69	-	-

The total cash outflow for leases was £1,926k (FY19: £1,515k).

THE GROUP AS LESSOR

	Continuing operations		Discontinued operations	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Minimum lease receipts under operating leases recognised as income in the year	-	-	304	283

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:

	2020 £'000	2019 £'000
Within one year	-	365
Within 2 – 5 years	-	10
	-	375

The Company had no leases other than those accounted under IFRS16.

Notes to the Financial Statements

continued

For the year ended 30 November 2020

23. 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.

	2020 £'000	2019 £'000
Short-term employment benefits	1,361	1,122
Pension costs	19	21
Share-based payments	332	437
	1,712	1,580

24. 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 five 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:

	2020		2019	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of year	5,246,254	57.60p	5,243,469	98.99p
Exercised during the year	(18,978)	29.64p	(866,801)	59.52p
Cancelled during the year	(1,040,050)	106.42p	(202,665)	66.05p
Granted during the year	-	-	1,072,251	22.77p
Outstanding at end of year	4,187,226	43.68p	5,246,254	57.60p
Exercisable at end of year	1,299,551	100.98p	1,195,964	102.04p

The options outstanding at 30 November 2020 had a weighted average exercise price of 43.68p (FY19: 57.60p), and a weighted average remaining contractual life of four years (FY19: two years). The inputs into the Black-Scholes model are as follows:

	2020	2019
Weighted average share price	100.50p	118.05p
Weighted average exercise price	43.68p	57.60p
Expected volatility	44%	50%
Expected life	4.19yrs	1.83yrs
Risk-free rate	5%	5%

LONG TERM INCENTIVE PLAN

During 2018 an executive long-term incentive plan (LTIP) was put in place following consultation with a number of Shareholders with performance criteria based on two key metrics: 50% based on how the BBB share price performs and 50% based on how BBB performs against a basket of similar companies. It was agreed that awards would be considered annually by the Remuneration Committee and post the disposal all such schemes, including Management Incentive Plans, would be reviewed for appropriateness.

Awards are 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).

24. Share-Based Payments *continued*

DETAILED PLAN RULES

The Plan was offered for the first time in 2019 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.

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 £332k (FY19: £437k), related to equity-settled share-based payment transactions as follows:

	2020 £'000	2019 £'000
Share option charge	332	437

In addition to the above there was also a share option charge relating to the BGF options at the time of refinancing (£1,023k). This has been classified as a finance cost with the corresponding entry in the other equity reserve in the Consolidated Statement of Financial Position.

25. 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. 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 whilst 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 20 to 21.

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 (see note 15 for more details). 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, 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.

Notes to the Financial Statements

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25. Financial Risk Management continued

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 18.

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 18 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 covenant compliance reporting, which monitors actual 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 17.

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.

26. Financial instruments

The Group has the following financial instruments:

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Financial assets				
Cash & cash equivalents	15,306	5,989	10,700	-
Trade receivables	708	2,618	40	-
Amounts owed by Group undertakings	-	-	552	24,293
Other receivables	1,486	2,605	187	25
Total	17,500	11,212	11,479	24,318
Financial liabilities				
Trade payables	5,893	11,750	702	561
Amounts owed to Group undertakings	-	-	-	251
Other creditors	536	5,834	229	-
Lease liabilities	3,593	5,657	-	-
Total	10,022	23,241	931	812

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

27. Contract Balances

The consolidated statement of financial position includes the following amounts relating to contracts with customers:

	2020 £'000	2019 £'000
Accrued income – included in Prepayments and accrued income	-	2,025
Total contract assets	-	2,025
Deferred income – included in Accruals and deferred income	(887)	(1,660)
Total contract liabilities	(887)	(1,660)

Revenue recognised during 2020 that was included in the contract liability balance at the beginning of the year amounted to £1.66m (FY19: £1.90m). There was no revenue recognised in the year from performance obligations satisfied in previous periods. The satisfaction of the Group's performance obligations typically occurs before invoicing and payment for activation fees and other charges for services that are satisfied at a point in time, giving rise to accrued income. For airtime charges, which are satisfied over a period of time, payment will typically occur during the period being invoiced, which is usually done at the start of a calendar month or a quarter, giving rise to deferred income.

Significant movements arose due to the disposal of Bigblu Broadband Operations Ltd and its subsidiaries. Contract assets and liabilities disposed of amounted to £2.95m accrued income and £1.67m deferred income respectively as at the date of sale.

Balances of contract assets and liabilities related to the continuing operations in 2019 were £0.08m accrued income and £0.97m deferred income respectively.

Notes to the Financial Statements

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For the year ended 30 November 2020

28. Post Balance Sheet Events

QUICKLINE COMMUNICATIONS, UK

On 7 December 2020, BBB announced that its subsidiary Quickline has won a further competitive tender to provide significantly improved broadband speeds to premises across North Yorkshire that are unable to access fast and reliable internet connectivity.

On behalf of the North Yorkshire Local Authority (the "Authority") and NYnet, the Authority's wholly owned high-speed connectivity provider, Quickline will extend its network using its fibre-backed fixed wireless technology to a further 15,830 premises in rural areas to connect to super-fast*, ultra-fast** and in some cases gigabit speed broadband services. The contract provides for a total network investment of £14.5m, leading to significantly faster broadband speeds in the more isolated areas of North Yorkshire.

The programme will receive a subsidy of £12.3m from the Authority in partnership with the Government's broadband delivery programme, Building Digital UK ("BDUK"). Quickline is committing £2.2m of network investment to support the roll-out and deliver and maintain the new infrastructure. Given the limited connectivity currently available in the contracted areas, Quickline expects to see strong take-up of broadband services, further increasing its addressable market and customer base. Quickline also expects to deliver at least its targeted return on capital of c.15% over the life of the contract.

On 30 March 2021, Quickline announced that Sean Royce will join the Quickline board as CEO on 4 May 2021. Sean brings a wealth of experience to the business and will further develop its growth strategy and focus on establishing Quickline as a leading provider of rural broadband services across Northern England and beyond. Steve Jagger, founder of Quickline, will remain full-time on the Board as Founder and Chief Technology Officer, with a strategic focus on building on the roll-out and development of Quickline's fibre and 5G technology.

ADDITIONAL INVESTMENT IN QUICKLINE HOLDINGS LIMITED ("QUICKLINE")

Further to the August 2019 agreement detailed in note 12, the final £2m tranche of the committed equity investment was received in December 2020. Funds managed by Harwood Capital, which manages or advises BBB's two largest Shareholders, have provided £7.75m of equity. BBB continues to fully consolidate Quickline into its accounts as it retains control as a result of its majority shareholding of 56.9%.

SKYMESH, AUSTRALIA

On 8 February 2021, BBB announced that it has signed an important Partner Agreement with leading next-generation Asia Pacific broadband satellite operator Kacific Broadband Satellites Group to provide a high-speed broadband internet service initially across New Zealand.

Kacific will provide internet bandwidth via its Kacific-1 satellite, which was launched in December 2019, and BBB will provide all sales, marketing and end user support functions, including billing and installation of equipment. It is anticipated that the Company will invest up to £1.0m in the first year of the Agreement as the new business scales up through the provision of in-country field operations and reseller activities as the business attracts new customers and sales. The investment will be partially offset by revenue share earned from new customers, and BBB anticipates that, given the scale of the expected roll out, the project will break even within c.20 months of launch and will be earnings accretive thereafter.

The expansion into New Zealand will be managed from the Group's Australasian headquarters in Brisbane and will initially target up to c.3,500 new customers over the next 18 months. The revenue share model will be split across a range of broadband packages being offered through this exciting new venture with Kacific, including packages offering download speeds of up to 75Mbps. Kacific-1 is making super-fast satellite broadband available to consumers in New Zealand for the first time. In line with all of the Group's previous ventures, the Agreement provides potential customers with an attractive pricing structure that presents a genuine alternative to comparable terrestrial broadband offerings. As a result, the Board is confident that, through the Agreement, the Company will continue to increase customer volumes, recurring revenues and reduce churn rates - leading to increased profitability following the initial investment.

Company Information

Directors	M Tobin OBE A Walwyn F Waters P Howard C Mills P Moses (appointed 21 May 2020) S Morana (resigned 21 May 2020) S Clifton (resigned 30 September 2020)
Company registration number	09223439
Company Secretary	B Harber
Registered office	Broadband House The Old Bakery Victoria Road Bicester Oxfordshire OX26 6PB United Kingdom
Broker & Nominated adviser	finnCap Ltd 60 New Broad St London EC2M 1JJ
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 LLP 10 Queen Street Place London EC4R 1AG



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