

Toople Plc
Annual Report & Accounts
for the year ended
30 September 2019



Toople Plc
Annual Report & Accounts
For the Year Ended 30 September 2019

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Company Information

Directors

Richard Horsman (Chairman & Non-Executive Director)
Geoffrey Wilson (Non-Executive Director)
Andrew Hollingworth (Chief Executive Officer)
Kevin Lawrence (Chief Financial Officer)

Company Secretary

WKH Company Secretary Services

Registered Office

PO Box 501
The Nexus Building
Broadway
Letchworth Garden City
Hertfordshire
SG6 9BL

Registered Number

10037980 (England and Wales)

Financial Adviser

Cairn Financial Advisers LLP
Cheyne House
Crown Court
London
EC2V 6AX

Registrars

Share Registrars Limited
The Courtyard
17 West Street
Farnham
GU9 7DR

Brokers

Novum Securities Limited
8-10 Grosvenor Gardens
London
SW1W 0DH

Turner Pope (TPI) Limited
8 Frederick's Place
London
EC2R 8AB

Auditor

PKF Littlejohn LLP
15 Westferry Circus
Canary Wharf
London
E14 4HD

Solicitors

Field Fisher
Riverbank House
2 Swan Lane
London
EC4R 3TT

Principal Bankers

HSBC Bank PLC
63 George Street
Luton
LU1 2AR

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Introduction

Toople delivers robust and reliable business broadband and telephony solutions to UK SMEs.

Our vision is based on trust and transparency, with no hidden fees. Uniquely, our cost is fixed for the duration of the contract. Since there can be no retail or other price increases for the duration of a contract, we make it easy for SMEs to budget.

We believe telecommunications solutions should be ticking away in the background, so that businesses can focus on serving customers and generating new business.

Toople's business model and a unique selling point, is that it provides facts in straightforward language and a simple to understand fee structure, rather than in complicated jargon and acronyms. *We are carrier agnostic and all customers are paired with the best carrier for their location based on speed and bandwidth.* This makes us truly independent. Merlin, our online delivery platform, connects to all the major UK carriers.

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Highlights

Highlights:

- Revenue, showing significant growth year on year increasing by over 68% to £2,452,154
 - Broadband revenue grew by 220%
 - Hosted revenue grew by 80%
 - Mobile revenue grew by over 200%
 - Growth achieved despite sacrificing over £600,000 of revenue due to termination of onerous partnership agreements signed prior to IPO
- Gross profit increased to £478,705
 - Overall gross margin improved by 6 percentage points to 19.5%
- Increase in marketing and sales costs as business drives revenue for future returns
 - New Head of Digital and Commercial Marketing appointed to focus on driving growth, innovation and sales
 - Increase in direct customer orders driving growth, validating management decision to increase marketing spend
- Bad debt provision of £423,824
- Strong monthly growth in new customer orders and new customer wins continued throughout year
- Year on year growth in customer orders up over 100% for year to date
- New sales centre opened in Durban, South Africa performing well
 - Significantly extended operating hours into the evening
 - Helps maximise customer enquiries
 - Cost attractive when compared to on-shore UK
 - Reducing cost of customer acquisition
 - Leads to reduction of sales cost of circa 50% per order
- Customer acquisition costs decreasing and customers increasing the amount of services taken
- Private placement successfully completed raising £662,231
- Debt of £606,756 repaid in full for a payment of only £150,000 leading to a gain on the write off of this shareholder loan
- Acquisition strategy implemented

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At a Glance

We provide bespoke telecommunication services to small and medium enterprises (SMEs) in the UK.

Our products are available with minimum delay, at an attractive price and accompanied by excellent customer services. Our services comprise the provision of cloud based telephony services, or Voice over Internet Protocol (VoIP) telephony; broadband over copper, EFM and Ethernet data and mobile services.

We are ideally placed to take advantage of the migration from traditional services to fibre broadband and VoIP telephony. To adapt to inevitable technological development, Toople is being selected for its leading broadband products and VoIP.

Our "online first" business model is supported by a direct digital marketing campaign, one of the central tenets of our growth strategy. We also have multiple sales and marketing channels.

Our proprietary delivery Platform, Merlin, drives further demand. Merlin is a modern and smart platform, providing an end-to-end automated process allowing customers to place orders easily. It is a feature rich ERP platform, driving Toople from a highly efficient and automated position. It is cloud-based and has over 2,500 web pages delivering all necessary functionalities: HR, administration, could, ticketing, sales/CRM, billing, finance and revenue assurance, support functions and marketing.

We are also able to provide instant quotes based on competitive prices.

Toople has been listed on the main market of the London Stock Exchange since May 2016 and is headquartered in London. Our operations and billing are in Slough, the sales team is now based in Durban and Merlin development takes place in Poland.

Toople is:

- committed to correcting the price of telecoms for SMEs
- providing services which can all be delivered online, and simply
- a transparent, fixed cost telecoms provider
- focussed on customer experience
- constantly updating, as we continue to develop our own proprietary software (Merlin) to create a better experience for our customers

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Business Model

Toople's business model has two distinct channels:

Retail component

Toople provides cloud-based business phone services directly to SMEs. We offer business broadband, including superfast data. Our data services comprise Ethernet First Mile and Ethernet. We also provide business mobile and SIM services, and traditional services (calls and lines).

Wholesale component

We offer white label services on behalf of other telecommunication companies. They have access to Toople's proprietary platform for wholesalers, Merlin, which allows wholesalers to connect with carriers and to provide billing services to their own customers.

Our direct digital marketing campaign ensures that in excess of 1 million business owners / decision makers see our propositions every month. This is complemented by the use of social media channels and B2B cost comparison sites.

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Strategy

There are approximately 5.4 million SMEs in the UK. These are the businesses that we are targeting.

Future strategy:

- Become the telecoms supplier of choice for SMEs delivering instant, easy communication solutions
- Invest further in direct digital marketing to drive customer growth
- Drive profit growth and visibility and predictability of revenues

Investment proposition:

- Significant and growing target market
- Rapidly increasing customer base with clear demand for offering
- Successful direct digital marketing capability
- Predictable recurring revenues
- Experienced and proven management
- Highly scalable model - low CapEx
- Strong industry peer group sector valuations

Growth opportunities:

Organic

- Demand for broadband will continue to grow
- Economic uncertainty, means small business customers need value and pricing certainty
- We will bridge that gap and provide what businesses want
- We benefit from an increasing demand for our cloud-based tech solutions

Acquisitions

- Highly fragmented market ripe for consolidation
- Potential to deploy capital to accelerate growth organically of revenues streams and margins
- Strong management team and Board in place with considerable sector and M&A experience

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Chairman's Statement

A transformational year for Toople

This has been a transformational year for Toople, during which the financial and operational foundations have been put in place and strengthened to utilise our listing and the wider capital markets to drive substantial growth both organically and via acquisitions in the future.

Overview

Toople provides a bespoke telecoms services for our target market of UK SMEs with between 1 and 50 employees which is immediately available to customers, at an attractive price that is always fixed for the life of the contract. Our fixed price offering is one of our unique selling points. Our services include the provision of cloud based telephony services: broadband over copper, fibre, EFM and Ethernet data services (with call bundles) and mobile services. Our "Online first" business model is supported by direct digital marketing campaigns and a sales centre based in Durban, South Africa. We have multiple sales and marketing channels and a proprietary delivery platform, Merlin, which ensures that customers receive instant quotes based on the most competitive prices available.

Growth in both revenue and customer numbers

Toople has enjoyed substantial growth during the financial year both in terms of both customer numbers and revenue generated by those customers. UK SMEs continue to switch to Toople and we have seen record numbers of new customers signing up with us. Our products are flexible and carrier agnostic. This, coupled with excellent customer support, has resulted in impressive month by month growth in new customer acquisition numbers when compared with the previous financial year.

For customers who want certainty and ease of use, Toople is a natural choice. Our fixed rate products satisfy all SME telecommunications needs. Our pricing is transparent and we have UK-based support desks offering premium quality customer service, something that is valued by our customers.

Business Model and Performance

We target both the direct to customer (retail) and the wholesale markets, where we offer white label services on behalf of other telecoms companies, offering them access to our own Merlin platform. During the year we took the strategic decision to reassess legacy wholesale contracts that had historically delivered low gross margins. We will now only sign partnership agreements which are more profitable, as well as renegotiating or terminating historic unattractive contracts as they come to an end. As a result we have continued to sign a number of new agreements, but only where we are satisfied that debtor risk is low and margins are attractive. As expected, this strategy and the termination of onerous partnership agreements, means that in the short term we saw a decline in wholesale revenue, but the overall margin mix is improved and this will result in improved gross margin for the business.

Our digital marketing spend has increased in line with our growth as we try to ensure that in excess of one million business owners and decision makers see our propositions every month via direct digital marketing, the use of social media channels and internet search engines. Increases in customer numbers have vindicated this spend. Customer conversion rates are improving as we have engaged an additional dedicated resource in Durban, South Africa.

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Our growing customer base will result in a lower cost of acquisition per customer and will boost our future outlook, as operational automation further develops and we start to see average revenue per user improve.

Placing

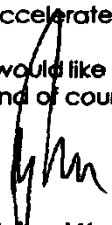
In June 2019 we were approached by our brokers who had received demand from their clients to invest further in our business as they are pleased with the substantial financial and operational progress we had made in the previous months. Given the demand and the opportunity to repay the Company's debt at a significant discount to book value (£150,000 against circa £606,756 – see Note 11 for further explanation), the Board agreed to a Placing, which raised £662,231.

The result of the Placing was to leave the Company debt free and, importantly, in a position to invest further in its digital marketing strategy to increase the rate of customer enquiries and correspondingly to improve conversion rates. Given that these customers are typically signing two year fixed contracts, we believe that the Company can use this opportunity to accelerate its timeframe to cash generation and profitability.

Summary and Outlook

The strength and growth of the business has continued into the new financial year and, given the various operational improvements we have made, strategic investment in our core business and our excellent product offering and customer service will, we believe, ultimately set us on the road to achieve our stated goal of long term future profitability. This is likely to be significantly accelerated by our M&A activity in the future.

I would like to once again take this opportunity to thank our partners, customers, employees, Board and of course our shareholders for their continued support.



Richard Horsman
Non-Executive Chairman
30 January 2020

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Chief Executive Officer's Review

Expect Growth and Expansion to Continue in the Future

I am very pleased to update our shareholders on another record year of performance, as our reach across the small business market continues to grow rapidly, firmly positioning Toople in the market as the alternative telecommunications provider of choice to UK SMEs.

Growth is being driven by a number of factors, not least a noticeable switch by UK SMEs to superfast fibre broadband, ahead of the eventual closure of existing legacy copper infrastructure in 2025. As businesses are forced to review their existing telecoms services, many are seeking new solutions which provide enhanced quality at an affordable fixed price. SMEs are increasingly dissatisfied with a lack of price transparency, poor service offerings and poor customer service from the traditional tier one providers. Toople is taking advantage of these failings by its bigger competitors and is fast becoming a major disruptor in our segment of the market. The Company continues to make great progress, as evidenced by sales figures over the normally quieter summer period.

Importantly, the growth is reflected in the financial results with revenue and margins increasing, illustrating that our strategy is working.

Total revenues grew by over 68% to £2.5 million (FY 2018: £1.51 million) with Broadband revenue growing by 184%, hosted revenue by 80% and mobile revenue by 200%. Gross profit increased by 135% to £478,705 (FY18: £203,624) and overall gross margin improved by 6 percentage points to 19.5%.

As expected, our wholesale revenue decreased as we took the strategic decision to exit legacy contracts which have historically delivered low gross margins. Our strategy is now to only sign partnership agreements which are more profitable, as well as renegotiating or terminating historic unattractive contracts as they come to an end. As a result we have continued to sign a number of new agreements, but only where we are satisfied that debtor risk is low and margins are attractive. This strategy and the termination of onerous partnership agreements means that in the short term we experienced a headline decline in revenues of around £600,000 in this regard, this puts our overall revenue growth into context and makes the underlying figure look even more impressive.

Although EBITDA has declined when compared to last year, this is as a result of the continued investment in marketing related activities to grow the business. Our operating loss was £1.65m (after the gain on settling the shareholder loan of £456,341) compared with £1.35m. This performance is in line with our expectations at this stage of the Company's development.

The digital marketing campaign, one of the central tenets of our growth strategy, is generating an increasing level of enquiries from potential customers and a growing conversion rate. This campaign has been structured to generate the best possible returns on capital employed, which, together with efficient operating procedures, has further reduced the cost of new customer acquisition and is generating new incremental business for the Company. During the year we also added a new sales resource in Durban, South Africa which is performing well. This is a contractual arrangement with a respected agency with an excellent reputation in telecoms and is based on the results which they achieve. It is cost attractive when compared to onshore UK alternatives and offers the added benefit of extending operating hours, helping to maximise customer enquiries.

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These investments were the principal reason for the increase in cost of sales, which grew from £1.3 million to £1.97 million during the year. The increase in costs are driving an increase in lead conversion and sales. The majority of these new clients are on two-year fixed contracts, giving us clear visibility of earnings. The major contract win previously announced is performing in line with expectations and the first batches of customers have been transferred over to the Toople Merlin billing and provisioning platform.

Despite stringent credit checks and strong processes being in place, as customer numbers and orders increased exponentially, we also experienced a sharp increase in bad debt provision during the period. Although this is clearly unwelcome, it was not completely unexpected given the micro-SME market within which we operate. The Board has taken a prudent view and provided for £423,824 of the current outstanding book of £853,354. Further details on the underlying assumptions for this provision are contained in Note 3 to the financial statements. Importantly we have taken proactive steps to arrest the rise in bad debts and to recuperate as much as possible from the outstanding amounts. This includes making changes to our billing platform to take daily payments and engaging an outside credit control and debt collection agency. We expect bad debt levels to normalise over the coming months.

As explained in Note 2(c) 'Accounting Policies – going concern' to the financial statements, the Group does not currently have sufficient funds to meet its working capital needs for the next 12 months and further funding will be required. The Directors are confident that funding can and will be obtained at the appropriate time.

Market opportunity

Our industry will see significant change over the next five years, as industry leaders and the Government continue to agree a timetable for switching off copper broadband services and to implement full fibre broadband to replace existing copper networks on a region-by-region basis by 2025. Businesses are likely to be given two years in each area of the country to move to a full-fibre provider.

In practice this means that some seven million PSTN lines and around three million ISDN circuits are due to be retired by 2025. All legacy phone systems need to change. This represents a significant opportunity for Toople, as all our propositions are built on next generation technology and future proofed to take advantage of this imminent migration. We also expect to see a sharp increase in demand for cloud-based technology solutions.

We continue to operate in a highly fragmented market that is ripe for consolidation. With a strong management team and Board in place with considerable sector and M&A experience, we are ideally positioned to use our listing and take advantage of this to accelerate our growth and utilise the inherent operational gearing in the business.

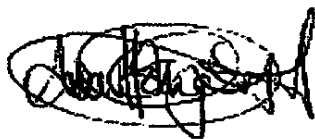
Future strategy and outlook

We will continue to become the telecoms supplier of choice for SMEs delivering instant, easy, communication solutions with a transparent pricing model. This will mean further investment in direct digital marketing to drive customer and profit growth, as well as visibility and predictability of revenues over the medium and longer term.

We continue to grow by adding new customers, selling add-ins to existing customers and exploring synergistic acquisition opportunities.

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Toople is already a one-stop easy-to-use telecoms provider that can tailor a package to a client's exact business needs. We are operating in a large and growing target market with a rapidly increasing customer base and clear demand for our offering. Our direct digital marketing capability is delivering increased predictable recurring revenues. With an experienced and proven management team in place capable of scaling the company both organically and via acquisitions, the future for Toople is very bright.



Andrew Hollingworth
Chief Executive Officer
30 January 2020

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Board of Directors and Senior Management

Richard Horsman, Non-Executive Chairman

Mr. Horsman was senior independent Non-Executive Director of Plethora Solutions Holdings Plc between early 2011 and mid-2013 and previously CEO of Cybit Holdings plc, both admitted to trading on the AIM market of the London Stock Exchange. During his tenure at Cybit the company grew, from inception, to revenues of £25 million and went through multiple acquisitions. In January 2010, Cybit was acquired in a deal with a US-based private equity firm which returned £24 million to shareholders at over a 100% premium to the prevailing market price. Prior to this he held a number of senior roles in the IT industry including with Global Telematics PLC and The Baan Company.

Most recently (from 2011 to the end of 2014) Mr. Horsman was Chairman/CEO of Atego Group – a privately held business providing mission and safety critical software and consulting services to the global aerospace, military and automotive sectors. Atego was sold to PTC who are listed on the US NASDAQ market.

Andrew Hollingworth, Chief Executive Officer

Mr. Hollingworth has worked in the telecoms industry for the past 25 years, operating at senior levels across multiple roles and boards, including sales, marketing and operations. The majority of his work has been driving organic and acquisitive growth strategies to achieve revenue and EBIT growth. Mr. Hollingworth has held a number of senior positions including Director of Wholesale, Director of Small and Corporate segments, Head of CRM, Head of Distribution, Head of Sales Operations and Head of Loyalty and Retention.

As Director of Wholesale at TalkTalk Plc he led a growth strategy in the UK reseller market from sub £50m turnover to £250m turnover (£150m net profit with around 30 staff). Mr. Hollingworth then moved into an underperforming area of TalkTalk, the small business and corporate segment, and whilst there moved it from 18% customer loss into growth of over 3,000 customers per month within 3 years. Mr. Hollingworth was appointed to the Board of the Company on 2 March 2016.

Kevin Lawrence, Chief Finance Officer

Mr. Lawrence qualified as a chartered accountant in 1986 with Coopers & Lybrand (now PwC) where he spent 14 years before moving to Grant Thornton. He has subsequently held senior financial positions in a wide range of businesses including Group Finance Director of Lighthouse Group plc, an AIM-quoted financial services business that he joined at IPO and is now the largest listed Independent Financial Advice business in the UK, and CFO of Cybit Holdings PLC between 2002 and 2010 when the business was taken private by a US-based private equity firm.

In 2011 Mr Lawrence led the Cybit business through a reverse takeover of Masternaut Group to become the pan-European leader in telematics with revenues of EUR100m and 500 employees. Most recently, Mr Lawrence was CFO of Atego Group, a software development company which was acquired by PTC Inc in 2014 and currently holds the position of CFO at Gardien Group, a private equity backed business specialising in the testing of PCB boards that are fabricated for clients supplying the automotive, defense, telecommunications, aerospace, medical and computer markets worldwide. He joined Toople in June 2018.

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Geoffrey Wilson, Non-Executive Director

Mr. Wilson has significant experience in the telecoms industry and has held a number of senior positions in different organisations. He studied Law at Birmingham Polytechnic and he qualified as a Management Accountant in 1991 whilst working for Grand Metropolitan PLC in their licenced retail business, Chef & Brewer. He first joined the telecoms industry in 1993 with Mercury Communications where he held a number of finance roles, becoming financial controller for the customer systems division in 1995. He gained wider experience of the industry as commercial manager with Siemens Communications Systems and then as Commercial Director for Your Communications, a subsidiary of United Utilities, which he joined in 1999. Whilst there he led the corporate acquisition and integration programme increasing customer base and product range. Following a strategic review of the Utility business, Mr. Wilson led the disposal process for Your Communications resulting in the successful sale of the business to Thus in 2006.

Most recently he was employed as Chief Operations Officer for TalkTalk business where, over a 4 year period, overall operational costs reduced by 9% whilst supporting revenue growth of 33%. For two years prior to this he held the position of Finance Director for TalkTalk Business.

Piotr Kwiatkowski, Head of Development

Mr. Kwiatkowski started software programming at an early age and attended a telecoms technical school in Poland in 2002. Whilst there Mr. Kwiatkowski became the winner of many software and mathematical competitions before moving into a part time role in 2003 whilst attending university. He moved to a senior position after successfully completing a number of projects for the tourist industry dealing with complex and high demand online reservations and booking systems for many Polish companies.

Mr. Kwiatkowski completed university in 2007 majoring in computer science and specialising in telecoms. Mr. Kwiatkowski moved to the UK in 2009 where he became head of software at Obit Telecom in 2010. He moved back to Poland in 2012 but continued to consult and support the functionality of the Merlin software.

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Directors' Report

The Directors present their report with the financial statements of the Company for the year ended 30 September 2019. A commentary on the business and its prospects is included in the Chief Executive Officer's report on pages 11 to 13. A review of the business is also included in the Strategic Report on pages 19 to 21.

The Company's ordinary shares are listed on the London Stock Exchange, on the Official List pursuant to Chapters 14 of the Listing Rules, which sets out the requirements for Standard Listings.

Directors

The Directors of the Company during the year and their beneficial interest in the ordinary shares of the Company at 30 September 2019 were as follows (audited):

Director	Position	Appointed	Ordinary shares	Warrants	Other
Richard Horsman	Chairman and Non-Executive Director	03/03/2016	12,500,000	2,000,000	-
Geoffrey Wilson	Non-Executive Director	03/03/2016	6,366,666	1,000,000	-
Andrew Hollingworth	Chief Executive Officer	02/03/2016	28,250,000	-	-
Kevin Lawrence	Chief Financial Officer	28/06/2018	3,966,666		

Substantial shareholders

As at 30 September 2019, the total number of issued ordinary shares with voting rights in the Company was 1,143,589,455. Details of the Company's capital structure and voting rights are set out in Note 10 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at 21 January 2020.

Party Name	Number of Ordinary Shares	% of Share Capital
Epsilon Investments Pte Ltd	70,000,000	6.12%

Financial Instruments

Details of the use of financial instruments by the Group are contained in Note 14 of the financial statements.

Greenhouse gas emissions

The Group has as yet minimal greenhouse gas emissions to report from the operations of the Company and its subsidiaries and does not have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014.

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Dividends

The Directors do not propose a dividend in respect of the year ended 30 September 2019 (2018: £nil).

Auditor

The Board appointed PKF Littlejohn LLP as auditors of the Group on 15 November 2017. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Company and the Group for that year. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies with a Standard Listing.

In preparing these financial statements, the Directors are required to:

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

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

The maintenance and integrity of the Toople Plc website is the responsibility of the Directors; work carried out by the auditor does not involve the consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

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Statement as to Disclosure of Information to the Auditor

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

We confirm to the best of our knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as whole;
- The strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Subsequent events

The Board does not believe there are any subsequent events, requiring further disclosure or comment.

Going concern

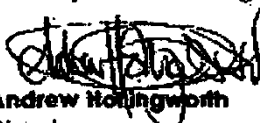
Notwithstanding the loss incurred during the year under review, the Directors have a reasonable expectation that the Group will be able to raise funds to provide adequate resources to continue in operational existence for the foreseeable future. During the financial year Toople raised £662,231 from the sale of shares indicating continued investor support for the Group's strategy. The Directors expect to deliver results which will lead to continuing market support. The Directors therefore consider it appropriate for the Company to continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on the Directors' assumptions and their conclusions are included in the statement on going concern included in Note 2c) to the Financial Statements.

The auditors have drawn attention to going concern within their audit report by way of a material uncertainty.

Corporate governance

The company's statement on corporate governance can be found in the corporate governance report on pages 22 to 28 of these financial statements. The corporate governance report forms part of this directors' report and is incorporated into it by cross-reference.

The directors' report and responsibility statement was approved by the Board of Directors on 30 January 2020 and is signed on its behalf by:


Andrew Hollingworth
Director

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Strategic Report

The Directors present the Strategic Report of Toople Plc for the year ended 30 September 2019.

Principal Activities

The Group consists of the Company and a number of wholly owned subsidiaries with the main operating entities being Toople.com Limited and AskMerlin Limited.

Toople.com is a business that provides a range of telecoms services primarily targeted at the UK SME market. Services offered by the business include business broadband, fibre, Ethernet First Mile and Ethernet data services, business mobile phones, cloud PBX and SIP Trunking and traditional services (calls and lines) all of which are delivered and managed through Merlin, the Group's proprietary software platform. AskMerlin owns the intellectual property rights for the Group's Merlin platform and the primary activity of this company is the continued development of Merlin that underpins the commercial activities of the Toople Group.

Review of the business in the year

Details of the Company's strategy, business model, results and prospects are set out in the Chairman's Statement and in the Chief Executive Officer's Review on pages 9-13.

Social/Community/Human rights matters

The Company operates a gender diverse business and ensures that employment practices take into account the necessary diversity requirements and compliance with all employment laws. The Board has experience in dealing with such issues and sufficient training and qualifications to ensure they meet all requirements.

Key Performance Indicators

The Directors monitor the activities of the Group through certain KPI's including:

- Cost of acquisition per customer
- New orders serviced (Revenue Generating Units)
- Customer satisfaction scores.

The Group also monitors its performance through financial results as set out below:

	Revenue £'000	Gross profit £'000	Earnings per share (pence)
2019	2,452	479	(0.16)
2018	1,505	204	(0.60)

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Principal risks and uncertainties relating to the Company's business strategy

The Group operates in an uncertain environment and is subject to a number of risk factors.

The Directors have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity, and consider that the following risk factors are of particular relevance to the Group's activities, although it should be noted that the list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

- The Company will be dependent on the ability of the Directors to identify suitable investment opportunities and to implement the Company's strategy. There is no assurance that the Company's business strategy will ultimately be successfully developed
- As the Group has a limited trading history, actual performance may differ materially from expectations and the Group may generate sustained losses. The Group's success is dependent on significant growth in customer numbers and orders
- The Group anticipates being able to sell multiple products to customers in a competitive market. The marketing investment estimated to be required by the Group may not be sufficient to attract the number of customers that the Group intends to target
- The loss of, or inability to attract key personnel could adversely affect the business of the Group
- The technology upon which the Group's products and services are based may become obsolete; in particular, the Group is reliant on the technical robustness of its software platform
- The Group may require additional capital in the medium to long term and no assurance can be given that such capital will be available on terms acceptable to the Group, or at all
- By the very nature of the Group's business, it is expected that from time to time the Group will be subject to complaints or claims in the normal course of business
- The Company is exposed to the risk that third parties that owe the Group money, securities or other assets may not fulfil their obligations. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. In particular, by the nature of the SME market in which the Group operates, it is exposed to potential bad debt issues from its customers. These risks are more fully disclosed in Note 3 to the financial statements
- The Group's performance could be adversely affected by poor economic conditions in the UK and increased competition in the SME market
- The Group's infrastructure and systems could be targeted by cyber attacks
- The pricing environment in the telecoms industry could become more difficult than anticipated
- The UK telecoms market is subject to high incidence of fraud and bad debt risk and therefore to regulation by Ofcom

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The Directors seek to mitigate these risks by applying their considerable experience of operating businesses in the sector and by devising trading and operating strategies designed to seek out and exploit profitable trading opportunities whilst seeking to protect the business from downside risks.

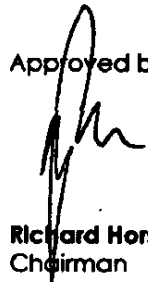
Composition of the Board

A full analysis of the Board, its function, composition and policies, is included in the Remuneration Report on pages 29 to 34. A gender analysis is included in the Governance Report.

Environmental and other regulatory requirements

The event of a breach of any environmental or regulatory requirements may give rise to reputational, financial or other sanctions against the Company, and therefore the Board considers these risks seriously and designs, maintains and reviews its policies and processes so as to mitigate or avoid these risks.

Approved by the Board on 30 January 2020.



Richard Horsman
Chairman

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Governance Report

Introduction

The Company recognises the importance of, and is committed to, high standards of corporate governance. The following sections will explain how the Company has voluntarily applied the main and supporting principles set out in the UK Code of Corporate Governance published in 2016 (the Code).

Compliance with the UK Code of Corporate Governance

The UK Corporate Governance Code, as published by the Financial Reporting Council, is the corporate governance regime for England and Wales. The Company has stated that, to the extent practicable for a company of its size and nature, it follows the UK Corporate Governance Code. The Directors are aware that there are currently certain provisions of the UK Corporate Governance Code that the Company is not in compliance with, given the size and early stage nature of the Company, these include:

- The Code requires that a smaller company should have at least two Independent Non-Executive Directors. The Board currently consists of two Executive Directors and two Non-Executive Directors. Both of the Non-Executive Directors are interested in either ordinary shares in the Company, warrants over ordinary shares in the Company, or both, and cannot therefore be considered fully independent under the Code. The remuneration of the Non-Executive Directors includes warrants and this is contrary to D.1.3 of the code. However, both are considered to be independent in character and judgement.
- As a consequence of the above, where provisions of the Code require the appointment of independent directors, for example as chairman or as senior independent director, the Company is not in full compliance with the Code – this applies in relation to various provisions of the Code including A.4.1, A.4.2., B.1.1., B.1.2). However, the Directors consider the present structure and arrangements to be adequate given the size and stage of development of the Company.

The Company does not currently believe it is necessary to have a separate nominations committee at this time. The Board as a whole will review the appointment of new members of the Board, taking into account the interests of shareholders and the performance of the Company. The requirement for a nominations committee will be considered on an ongoing basis.

- The Chairman of the Remuneration Committee is the Chairman of the Company and the Chairman of the Company is a member of the Audit Committee. This is outside the principals of D.2.1 and C.3.1 of the Corporate Governance Code applicable to smaller companies, which requires that those committees consist of at least two independent directors excluding the Chairman of the Company.

The UK Code of Corporate Governance can be found at www.frc.org.uk

Set out below are Toople's corporate governance practices for the year ended 30 September 2019.

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Leadership

The role of the Board - The Board guides and monitors the business and affairs of the Company on behalf of the Company's shareholders to whom it is accountable, and is responsible for corporate governance matters. While certain key matters are reserved for the Board, it has delegated responsibilities for the day-to-day operational, corporate, financial and administrative activities to the Chief Executive Officer and the Chief Financial Officer.

Board meetings - The core activities of the Board are carried out in scheduled meetings of the Board and its committees. These meetings are timed to link to key events in the Company's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During the year ended 30 September 2019 the Board met on 13 occasions. Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep them fully briefed on the Company's operations.

Non-Executive Directors - The Non-Executive Directors bring a broad range of business and commercial experience to the Company (see pages 14 to 15) and have a particular responsibility to challenge independently and constructively the performance of the Executive Management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

Matters reserved specifically for the Board - The Board has a formal schedule of matters reserved that can only be decided by the Board.

The key matters reserved are the consideration and approval of the Board are as follows:

- the Company's overall strategy;
- financial statements and dividend policy;
- management structure including succession planning, appointments and remuneration;
- material acquisitions and disposal, material contracts, major capital expenditure projects and budgets;
- capital structure, debt and equity financing and other matters;
- risk management and internal controls (supported by the Audit Committee);
- the Company's corporate governance and compliance arrangements; and
- corporate policies

Certain other matters are delegated to the Board Committees, namely the Audit and Remuneration Committees.

Attendance at Board meetings;

Member	Meetings attended
Richard Horsman	12 of 13
Andrew Hollingworth	13 of 13
Kevin Lawrence	13 of 13
Geoffrey Wilson	13 of 13

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Directors appointed by the Board are subject to election by shareholders at the Annual General Meeting of the Company following their appointment and thereafter are subject to re-election in accordance with the Company's articles of association.

The terms and conditions of appointment of Non-Executive Directors will be made available upon written request.

Remuneration Committee

The Company has established a Remuneration Committee, the members of which are independent Non-Executive Directors, to assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Group's policy on executive remuneration, including setting the over-arching principles, parameters and governance framework of the Group's remuneration policy and determining the individual remuneration and benefits package of each of the executive Directors and the Company Secretary. The Remuneration Committee also ensures compliance with the UK Corporate Governance Code in relation to remuneration wherever possible.

Terms of reference of the Remuneration Committee will be made available upon written request.

Audit Committee

The Company has established an Audit Committee with delegated duties and responsibilities, the members of which are independent Non-Executive Directors. The Audit Committee is responsible, amongst other things, for making recommendations to the Board on the appointment of auditors and the audit fee, monitoring and reviewing the integrity of the Company's financial statements and any formal announcements on the Company's financial performance as well as reports from the Company's auditor on those financial statements. In addition, the Audit Committee will review the Company's internal financial control and risk management systems to assist the Board in fulfilling its responsibilities relating to the effectiveness of those systems, including an evaluation of the capabilities of such systems in light of the expected requirements for any specific acquisition target.

The Audit Committee met twice during the current financial year and will meet at least three times per year from 1 October 2019, and more frequently if required.

Terms of reference of the Audit Committee will be made available upon written request.

Nominations Committee

As mentioned earlier in the Governance Report, there is currently no Nominations Committee in place. However, the Board meets to identify and nominate candidates to fill Board vacancies as and when they arise. The members of the Board at these meetings will be Richard Horsman (Chair), Andrew Hollingworth, Geoff Wilson and Kevin Lawrence. The Committee meets on an as needs basis.

The Company has adopted an appropriate share dealing code.

As senior Non-Executive Director and Chairman, Richard Horsman is available to meet shareholders if they have concerns.

Non-Executive Directors are initially appointed for a term of three years, which may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

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Delegations of authority

Board Committees - The Board has delegated matters to two committees namely the Audit and Remuneration Committees. The memberships, roles and activities of these committees are detailed in separate reports: the Audit Committee on pages 34 - 35 and the Remuneration Committee on pages 29 - 34. Each committee reports to the Board and the issues considered at meetings of the committees are provided by the respective committee chairmen. The terms of reference of each committee is to be reviewed by the Board every other year.

Other governance matters - All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director. In addition, each Director and Board Committee has access to the advice of the Company Secretary.

The Company Secretary - The Company Secretary role is carried out by WKH Company Secretary Services.

Effectiveness

The Board currently comprises of a Non-Executive Chairman, one other Non-Executive Director and two Executive Directors. Biographical details of the Board members are set out on pages 14-15 of this report.

The Directors are of the view that the Board and its committees consist of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

Appointments – no separate Nominations Committee has been established for appointments to the Board.

The Directors advertise vacancies and engage appropriate professional assistance in filling positions as circumstances merit.

Commitments – All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction - All new Directors receive an informal induction as soon as practicable on joining the Board. There is currently no formal process in place due to the current size and stage of development of the Company.

Conflicts of interest - A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the interests of the Company. The Board has satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Company. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Board performance and evaluation - Toople has a policy of appraising Board performance annually. Having reviewed various approaches to Board appraisal, Toople has concluded that for a company of its current scale, an internal process of regular face to face meetings is most appropriate, in which all Board members discuss any issues as and when they arise in relation to the Board or any individual member's performance.

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Although the Board consisted of four male Directors, the Board supports diversity in the Boardroom and the Financial Reporting Council's aims to encourage such diversity. Given the current level of activity and number of employees, there is currently no formal diversity policy in place. However, this is something that will be considered by the Board as the Company grows. The following table sets out a breakdown by gender at 30 September 2019:

	Male	Female
Directors	4	-
Senior Managers	1	1
Other employees	8	8

Accountability

The Board is committed to providing shareholders with a clear assessment of the Company's position and prospects. This is achieved through this report and as required other periodic financial and trading statements. The Board has made appropriate arrangements for the application of risk management and internal control principles and these are detailed on pages 35-36. The Board has delegated to the Audit Committee oversight of the relationship with the Company's auditors as outlined in the Audit Committee report on pages 35-36.

Going concern - The Company's business activities, together with factors likely to affect its future operations, financial position, and liquidity position are set out in the Chief Executive Officer's Operational Update and the Risks and Uncertainties section of the Annual Report. Note 2(c) to the consolidated financial statements includes further details in relation to how the directors have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate. In addition, Note 14 to the consolidated financial statements discloses the Company's financial risk management practices with respect to its capital structure, liquidity risk, interest rate risk, credit risk, and other related matters.

The Directors, having given due and careful consideration, are of the opinion that although the Company currently has inadequate working capital to execute its operations over the 12 months following the date of approval of the financial statements, it has the ability to access additional financing, if required, over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements in accordance with *Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009*. A material uncertainty in relation to going concern has been included in the independent auditor's report.

Internal controls - The Board of Directors reviews the effectiveness of the Company's system of internal controls in line with the requirement of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliances and risk management. The Board reviews progress towards strategic objectives and monitors financial performance, including budgeting and forecasting, financial reporting, analysing variances against plan, and taking appropriate management action. Management, with the assistance of the finance function, is responsible for the appropriate maintenance of financial records and processes. This ensures that all the information is relevant, reliable, in accordance with the applicable laws and regulations, and distributed internally and externally in a timely manner. A review of the financial and consolidation statements is completed by management to ensure that the financial position and results of the Group are appropriately recorded, circulated to members of the Board and published where appropriate. All financial

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information published by the Group is subject to approval by the Board, on the recommendation of the Audit Committee. The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Company. The Audit Committee will regularly review and report to the Board on the effectiveness of the system of internal control. Given the size of the Group, the Board considers that there is no current requirement for an internal audit function. The procedures that have been established to provide internal financial control are considered appropriate for a Group of its size and include controls over expenditure, regular reconciliations and management accounts.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Remuneration

The Board has delegated to the Remuneration Committee responsibility for agreeing the remuneration policy for senior executives. The Remuneration Committee Report on pages 29-34 contains full details of the role and activities of the Remuneration Committee.

Shareholder relations

Communication and dialogue – Open and transparent communication with shareholders is given high priority. All Directors are kept aware of changes in major shareholders in the Company and are available to meet with shareholders who have specific interests or concerns. The Company announces its results promptly to the market and also publishes them on the Company's website: www.toople.com. Regular updates to record news in relation to the Company are included on the Company's website.

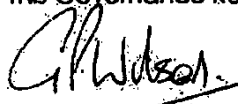
Annual General Meeting – At every AGM individual shareholders will be given the opportunity to put questions to the Chairman and other members of the Board who may be present. The outcome of the Annual General Meeting and resolutions put to the meeting are announced via a regulatory information service as soon as practical after the meeting.

Capital structure

The Company's capital consists of ordinary shares which rank *pari passu* in all respects which are traded on the Standard segment of the Main Market of the London Stock Exchange. There are no restrictions on the transfer of securities in the Company or restrictions on voting rights and none of the Company's shares are owned or controlled by employee share schemes. There are no arrangements in place between shareholders that are known to the Company that may restrict voting rights, restrict the transfer of securities, result in the appointment or replacement of Directors amend the Company's articles of association or restrict the powers of the Company's Directors, including in relation to the issuing or buying back by the Company of its shares or any significant agreements to which the Company is a party that take effect after or terminate upon, a change of control of the Company following a takeover bid or arrangements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur because of a takeover bid.

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This Governance Report was approved by the Board and signed on its behalf by:



Geoffrey Wilson
Non-Executive Director
30 January 2020

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Directors' Remuneration Report

The Company's Remuneration Committee comprises two Non-Executive Directors: Richard Horsman (Chairman) and Geoffrey Wilson.

Toople's Remuneration Committee operates within the terms of reference approved by the Board.

In the year to 30 September 2019 the two members of the Remuneration Committee met once.

The items included in this report are unaudited unless otherwise stated.

Committee's main responsibilities

- The Remuneration Committee considers the remuneration policy, employment terms and remuneration of the Executive Directors and senior management;
- The Remuneration Committee's role is advisory in nature and it makes recommendations to the Board on the overall remuneration packages for Executive Directors and senior management in order to attract, retain and motivate high quality executives capable of achieving the Company's objectives;
- The Remuneration Committee also reviews proposals for any share option plans and other incentive plans, makes recommendations for the grant of awards under such plans as well as approving the terms of any performance-related pay schemes;
- The Board's policy is to remunerate the Company's executives fairly and in such a manner as to facilitate the recruitment, retention and motivation of suitably qualified personnel; and
- The Remuneration Committee, when considering the remuneration packages of the Company's executives, will review the policies of comparable companies in the industry.

Consideration of shareholder views

The Remuneration Committee considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's periodic reviews of its policy on remuneration.

Statement of policy on Directors' remuneration

The Company's policy is to maintain levels of remuneration so as to attract, motivate, and retain Directors and Senior Executives of the highest calibre who can contribute their experience to deliver industry leading performance with the Company's operations. Currently Director's remuneration is not subject to specific performance targets.

In future periods the Company intends to implement a remuneration policy so that a meaningful proportion of Executive and Senior Management's remuneration is structured so as to link rewards to corporate and individual performance, align their interests with those of shareholders and to incentivise them to perform at the highest levels. The Remuneration Committee considers remuneration policy and the employment terms and remuneration of the Executive Directors and makes recommendations to the Board of Directors on the overall remuneration packages for the Executive Directors. No Director takes part in any decision directly affecting their own remuneration.

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There was no vote taken during the last general meeting with regard to the Director's remuneration policy. This is considered reasonable given the current size and stage of development of the Company and the fact that remuneration is not currently linked to performance. This will be revisited in future periods once a meaningful remuneration policy has been implemented as noted above.

Directors' remuneration

The Directors who held office at 30 September 2019 and who had beneficial interests in the ordinary shares of the Company are summarised as follows:

Name of Director	Position
Richard Horsman	Chairman, Non-Executive Director
Geoffrey Wilson	Non-Executive Director
Andrew Hollingworth	Chief Executive Officer
Kevin Lawrence	Chief Financial Officer

Details of these beneficial interests can be found in the Directors' Report on pages 16-18.

Each of the Directors entered into service agreements at the time of the Company's admission to the market in April 2016 or on appointment if later. Details of those service agreements are set out below. There were no other major remuneration decisions in the period.

Directors' service contracts

Richard Horsman was appointed as a Non-Executive Director and Chairman of the Company on 3 March 2016 and on 3 May 2016 he entered into a letter of appointment with the Company. Pursuant to his letter of appointment Mr Horsman is entitled to an annual fee of £18,000 for up to 8 days' work per annum, which includes consideration for chairing the Remuneration Committee and for being a member of the Audit Committee. He will be entitled to an additional fee if he is required to perform any specific and additional services. The Chairman is not entitled to receive any compensation on termination of his appointment (other than payment in respect of a notice period where notice is served) and is not entitled to participate in the Company's share, bonus or pension schemes, and is entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the proper performance of his duties. Mr Horsman is entitled to 2,000,000 NED Warrants which vested on the second anniversary of admission to the Official List, on 10 May 2018. Mr Horsman's appointment is for an initial term of three years unless terminated earlier by either party giving to the other three month's prior written notice. In addition, the services of Mr Horsman are provided on a consultancy basis by High Lees Consulting. Pursuant to the terms of a consultancy agreement High Lees Consulting is entitled to be paid a fee of £32,000 plus any applicable VAT. The appointment is for an initial term of three years to be reviewed annually and terminable on three months' notice by either party. None of the remuneration paid was subject to performance conditions.

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Geoffrey Wilson was appointed as a Director of the Company on 3 March 2016 and on 3 May 2016 he entered into a letter of appointment with the Company. Mr Wilson is entitled to an annual fee of £36,000 for up to 24 days' work per annum, which includes consideration for chairing the Audit Committee and being a member of the Remuneration Committee. He will be entitled to an additional fee if he is required to perform any specific and additional services. Mr Wilson is not entitled to receive any compensation on termination of his appointment (other than payment in respect of a notice period where notice is served) and is not entitled to participate in the Company's share, bonus or pension schemes, and is entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the proper performance of his duties. Mr Wilson is entitled to 1,000,000 NED Warrants which vested on the second anniversary of Admission to the Official List, on 10 May 2018. Mr Wilson's appointment is for an initial term of three years, unless terminated earlier by either party giving to the other three month's prior written notice. None of the remuneration paid was subject to performance conditions.

Andrew Hollingworth is employed as Chief Executive Officer under a service agreement with the Company dated 3 May 2016. Per this service agreement he is entitled to a salary of £120,000 per annum. He may participate in any pension scheme operated by the Group. His service agreement is terminable by either party on not less than 6 months' written notice, or immediately upon payment in lieu of notice and contains a garden leave clause. None of the remuneration paid was subject to performance conditions. During the 2018 year Andrew Hollingworth formally and voluntarily agreed to a reduction in salary to £60,000 per annum for the foreseeable future. He has confirmed that unpaid amounts will not be clawed back in later periods and as such the Company has not recorded any additional liability in respect of his salary for the 2019 financial year.

Kevin Lawrence is engaged as Chief Financial Officer under an agreement with the Company dated 20 June 2018 pursuant to which he is contracted to work one day per week and receive an annual remuneration of £10,800. In addition, and pursuant to a separate arrangement, he is entitled to be paid £700 per day for any days worked over and above his contractual agreement. His agreements are terminable by either party on not less than 6 months' written notice. None of the remuneration paid was subject to performance conditions.

Remuneration components

For the year ended 30 September 2019 salaries and fees were the sole component of remuneration. The Board will consider the components of Director remuneration during the year and following this review these are likely to consist of:

- Salaries and fees
- Annual bonus
- Taxable benefits
- Pensions
- Share Incentive arrangements

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Directors' emoluments and compensation (audited)

Set out below are the emoluments of the Directors for the year ended 30 September 2019:

Name of Director	Short terms employment benefits		Bonus		Other taxable benefits		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£	£	£
Richard Horsman	50,000	50,000	-	-	-	-	50,000	50,000
Geoffrey Wilson	36,000	36,000	-	-	-	-	36,000	36,000
Non-Executive total	86,000	86,000	-	-	-	-	86,000	86,000
Andrew Hollingworth	60,000	60,000	50,000	-	18,000	-	128,000	60,000
Adrian Andrews*	-	36,113	-	-	-	-	-	36,113
Kevin Lawrence**	64,000	14,600	-	-	-	-	64,000	14,600
Executive total	124,000	110,713	50,000	-	18,000	-	192,000	110,713
Total	210,000	196,713	50,000	-	18,000	-	278,000	196,713

*Resigned 26 June 2018

**Appointed 28 June 2018

As at 30 September 2019, the following amounts were owed to certain directors for fees and salaries for services provided to the Group:

	2019
	£
Richard Horsman	25,000
Geoffrey Wilson	18,000
Andrew Hollingworth	-
Kevin Lawrence	29,900

Directors beneficial share interests (audited)

The interests of the Directors who served during the year in the share capital of the Company at 30 September 2019 and at the date of this report or their resignation (if earlier) were as follows:

Name of Director	Number of ordinary shares held at 30 September 2019	As at the date of this report	Number of share warrants	Number of share options/warrants vested but unexercised
Richard Horsman	12,500,000	12,500,000	2,000,000	2,000,000
Geoffrey Wilson	6,366,666	6,366,666	1,000,000	1,000,000
Andrew Hollingworth	28,250,000	28,250,000	-	-
Kevin Lawrence	3,966,666	3,966,666	-	-

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Total pension entitlements (audited)

The Company does currently not have any pension plans for any of the Directors and does not pay pension amounts in relation to their remuneration.

The Company has not paid out any excess retirement benefits to any Directors or past Directors.

Payments to past directors (audited)

The Company has not paid any compensation to past Directors.

Payments for loss of office (audited)

No payments were made for loss of office during the year.

Directors' interests in share warrants (audited)

Details of share warrants over ordinary shares for directors who served during the year are set out in the table below:

	Number of Warrants	
	2019	2018
Richard Horsman	2,000,000	2,000,000
Geoffrey Wilson	1,000,000	1,000,000
Andrew Hollingworth	-	-
Kevin Lawrence	-	-

The awards vested on 10 May 2018, on the second anniversary of admission of the Company to the Official List and upon the relevant director remaining in service up to 10 May 2018. There are no performance conditions attached. The exercise price of the awards exceed the average share price for the period.

There were no awards of annual bonuses or incentive arrangements in the period, other than a bonus paid to Andrew Hollingworth in recognition of the successful fund raise and Placing in September 2018. All other remuneration was therefore fixed in nature and no illustrative table of the application of remuneration policy has been included in this report.

Consideration of employment conditions elsewhere in the Group

The Committee has not consulted with employees about executive pay but considers that the current remuneration of Executive Directors is consistent with pay and employment benefits across the wider Group.

UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Groups Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful because the Company has only been listed since April 2016, is not paying dividends and is currently incurring losses as it gains scale. In addition and as mentioned above, the remuneration of Directors is not currently linked to performance and we therefore do not consider the inclusion of this graph to be useful to shareholders at the current time. The Directors will review the inclusion of this table for future reports.

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UK 10-year CEO table and UK percentage change table

The Directors have considered the requirement for a UK 10-year CEO table and UK percentage change table. The Directors do not currently consider that including these tables would be meaningful because, as described under the Directors' Service Contracts section above, Andrew Hollingworth has waived a significant proportion of his contractual remuneration, and in addition remuneration is not currently linked to performance, therefore any comparison across years or with the employee group would be significantly skewed and would not add any information of value to shareholders. Andrew Hollingworth's remuneration is disclosed in full in the Directors' Emoluments & Compensation section. The Directors will review the inclusion of this table for future reports.

Relative Importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

Policy for new appointments

Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and/or incidental expenses as appropriate.

Policy on payment for loss of office

Payment for loss of office would be determined by the Remuneration Committee, taking into account contractual obligations.

Other matters

The Company does not currently have any annual or long-term incentive schemes in place for any of the Directors and as such there are no disclosures in this respect.

Approved by the Board on 30 January 2020.



Richard Horsman
Chairman of the Remuneration Committee

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Audit Committee Report

The Audit Committee comprises two Non-Executive Directors (Geoffrey Wilson and Richard Horsman). It oversees the Company's financial reporting and internal controls and provides a formal reporting link with the external auditors. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly report remains with the Board.

Main Responsibilities

The Audit Committee acts as a preparatory body for discharging the Board's responsibilities in a wide range of financial matters by:

- monitoring the integrity of the financial statements and formal announcements relating to the Company's financial performance;
- reviewing significant financial reporting issues, accounting policies and disclosures in financial reports, which are considered to be in accordance with the key audit matters identified by the external auditors;
- considering revenue recognition as a key audit matter and discussing the key processes and controls with management;
- overseeing that an effective system of internal control and risk management systems are maintained;
- ensuring that an effective whistle-blowing, anti-fraud and bribery procedures are in place;
- overseeing the Board's relationship with the external auditor and, where appropriate, the selection of new external auditors;
- approving non-audit services provided by the external auditor, or any other accounting firm, ensuring the independence and objectivity of the external auditors is safeguarded when appointing them to conduct non-audit services; and
- ensuring compliance with legal requirements, accounting standards and the Listing Rules and the Disclosure and Transparency Rules.

Governance

The Code requires that at least one member of the Audit Committee has recent and relevant financial experience. Geoffrey Wilson, who was appointed as Chairman of the Audit Committee in 2016 has been a qualified Management Accountant with extensive experience of high level finance roles in the telecoms industry since 1993. As a result the Board is satisfied that the Audit Committee has recent and relevant financial experience.

Members of the Audit Committee are appointed by the Board and whilst shareholders, the Company believes they are considered to be independent in both character and judgement.

The Company's external auditor is PKF Littlejohn LLP and the Audit Committee will closely monitor the level of audit and non-audit services they provide to the Company.

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Meetings

In the year to 30 September 2019 the two members of the Audit Committee have met on two occasions.

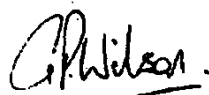
The key work undertaken by the Audit Committee is as follows:

- interview of external auditors and recommendation to the Board
- review of audit planning and update on relevant accounting developments;
- consideration and approval of the risk management framework, appropriateness of key performance indicators;
- consideration and review of full-year results;
- review of the effectiveness of the Audit Committee; and
- review of internal controls

The Code states that the Audit Committee should have primary responsibility for making a recommendation on the appointment, reappointment or removal of the external auditor. During the year the Audit Committee recommended the re-appointment of PKF Littlejohn LLP.

External auditor

The Company's external auditor is PKF Littlejohn LLP. The external auditor has unrestricted access to the Audit Committee Chairman. The Committee is satisfied that PKF Littlejohn LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained. The external auditors report to the Audit Committee annually on their independence from the Company. In accordance with professional standards, the partner responsible for the audit is changed every five years. The current auditor, PKF Littlejohn LLP were first appointed by the Company in 2017 following a tender process in the year, and therefore the current partner is due to rotate off the engagement after completing the September 2021 audit. Having assessed the performance objectivity and independence of the auditors, the Committee will be recommending the reappointment of PKF Littlejohn LLP as auditors to the Company at the 2020 Annual General Meeting.



Geoffrey Wilson
Chairman of the Audit Committee
30 January 2020

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Independent auditor's report to the members of Toople plc

Opinion

We have audited the financial statements of Toople Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2019 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance of the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 2c in the financial statements, which indicates that the Group is still loss making and not cash generative. Group cash levels reduced during the year to £497k and have diminished further since the year end. The loss position has increased to £1,673k in the year and net assets have fallen significantly to £305k. The group is therefore dependent on the raising of significant funding in the next 12 months in order to meet its working capital requirements in this period. As stated in Note 2c, these events or conditions, along with the other matters as set forth in Note 3 surrounding the provision for bad and doubtful debts, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

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Our opinion is not modified in respect of this matter.

Conclusions relating to principal risks, going concern and viability statements

Aside from the impact of the matters disclosed in the Material uncertainty related to going concern section, we have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report [set out on page 20] that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation [set out on page 20] in the annual report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity;
- whether the directors' statements relating to going concern and their assessment of the prospects of the group required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) are materially inconsistent with our knowledge obtained in the audit; or
- the directors explanation [set out on page 26] in the annual report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Materiality for the group financial statements was set at £90,000 (2018: £70,000). This was calculated based on 5% of the loss before tax, excluding the loan forgiveness income. Using our professional judgement, we have determined this to be the principal benchmark within the financial statements as it will be most relevant to members of the parent company in assessing the financial performance of the group in its early years of development. This benchmark is key in being able to demonstrate to shareholders year on year improvements in cost efficiencies at the same time as achieving the Company's goal of growth in revenue per customer, and achieving greater profitability as a result of these factors.

Materiality for the parent company financial statements was set at £89,999 (2018: £70,000). We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £4,500 (2018: £3,500). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

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An overview of the scope of our audit

As part of our planning, we assessed all components of the group for their significance under ISA (UK) 600 in order to determine the work scope to be performed. Those entities of the group which were considered to be significant components, being Toople Plc, Toople.com Limited and AskMerlin Limited, were subject to full scope audit procedures in accordance with ISA (UK) 600 for group and statutory reporting purposes. Procedures were then performed to address the risks identified and for the most significant assessed risks of material misstatement, the procedures performed are outlined below in the key audit matters section of this report.

AskMerlin Poland SP Zoo, the wholly owned subsidiary of AskMerlin Limited, was not assessed as a significant component and therefore we have performed limited procedures including analytical review at group level. Toople Finance Limited and Toople Management Services Limited are dormant members of the group headed by Toople Plc and therefore no audit work has been performed on these entities.

We did not rely on the work of any component auditors.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How we addressed it
Revenue Recognition Under ISA (UK) 240 there is a presumption that revenue recognition is a fraud risk. There is the risk that revenue from the provision of telephony services has been incorrectly recognised within the financial statements. There is also a risk that material misstatement has arisen as a result of the first-year adoption of IFRS 15, and that sufficient disclosures have not been made in order to comply with the new standard.	Our work in this area included: • Documenting our understanding of the internal control environment and performing walkthrough testing; • Substantive testing to ensure the completeness of revenue; • A review of post-year end credit notes to ensure revenue cut-off is appropriately accounted for; • Cut off procedures around the year end; • A review of management's assessment of the impact of IFRS 15 in line with the 5-step model; and • A review of the Group's revenue recognition to ensure that it is in accordance with IFRS 15.

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Recoverability of Trade Debtors The Group's trade receivables have increased substantially during the year as a result of widespread issues recovering significantly aged debt. An impairment charge of £423,824 has been recognised in the financial statements, being management's estimate of the level of debt that will not be eventually recovered. There is a risk that the impairment to trade receivables is understated and that receivables as at 30 September 2019 are therefore overstated in the statement of financial position.	Our work in this area included: • Reviewing the reasonableness of the bad debt provision by discussing the basis on which it was calculated. In addition, reviewing the significantly aged balances and discussing recoverability with Management; • Discussion with management surrounding the post-year end progress and review of post-year end debt recovery; • Challenge of the assumptions used by management in calculating the impairment to be recognised based on customer type (consumer / commercial), age of debt, post-year end recoveries to date; • Independent discussion with third party surrounding experiences in the industry of average recovery rates and challenge thereto; • Ensuring the impairment recognised and corresponding disclosures are in accordance with IFRS 9; and • Ensuring sufficient disclosure is made surrounding any assumptions used in the critical accounting judgements within the financial statements.
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Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company 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.

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In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable** [set out on page 18] – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting** [set out on pages 35 to 36] – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code** [set out on page 22] the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

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;
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements; and
- the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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 their 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;
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Toople Plc Annual Report & Accounts For the Year Ended 30 September 2019

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Other matters which we are required to address

We were appointed by the audit committee on 15 November 2017 to audit the financial statements for the year ended 30 September 2017. Our total uninterrupted period of engagement is three years.

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

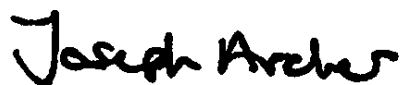
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements items. We communicated laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit. As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our audit opinion is consistent with the additional report to the audit committee.

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Use of our report

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



Joseph Archer
Senior Statutory Auditor
For and on behalf of
PKF Littlejohn LLP
Statutory Auditor
London
30 January 2020

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Consolidated statement of comprehensive income

	NOTE	2019 £	2018 £
Continuing operations			
Revenue		2,452,154	1,505,004
Cost of Sales		(1,973,449)	(1,301,380)
Gross Profit		478,705	203,624
Other Income	19	106,637	104,529
Administrative expenses	4	(2,686,788)	(1,654,901)
Write off Shareholder loan	4	456,341	-
Operating loss		(1,645,105)	(1,346,748)
Interest payable and similar charges		(34,239)	(54,260)
Interest receivable		6,158	743
Loss before taxation	4	(1,673,186)	(1,400,265)
Taxation	5	-	174,223
Loss for the year		(1,673,186)	(1,226,042)
Other comprehensive loss for the year -		-	-
Total comprehensive loss for the year attributable to the equity owners		(1,673,186)	(1,226,042)
Earnings per share			
Basic and diluted earnings per share	6	(0.16)	(0.60)

The notes (on pages 49 to 71) to the consolidated financial statements form an integral part of these financial statements.

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Consolidated statement of financial position

	NOTE	2019 £	2018 £
ASSETS			
Non-current assets			
Intangible Assets	7	124,106	42,375
Current assets			
Trade and other receivables	8	663,528	301,415
Cash and cash equivalents	9	497,400	2,144,209
		1,160,928	2,445,624
Total assets		1,285,034	2,487,999
EQUITY and LIABILITIES			
Capital and reserves attributable to equity shareholders			
Share capital	10	762,774	636,572
Share premium	10	5,412,561	4,923,336
Merger reserve		(25,813)	(25,813)
Share-based payment reserve		255,099	255,099
Capital contribution reserve		-	34,239
Accumulated deficit		(6,100,080)	(4,461,133)
Total equity		304,541	1,362,300
Current liabilities			
Trade and other payables	11	980,493	553,597
Non-current liabilities			
Financial liabilities - borrowings	11	-	572,102
Total equity and liabilities		1,285,034	2,487,999

The notes (on pages 49 to 71) to the consolidated financial statements form an integral part of these financial statements.

This report was approved by the Board and authorised for issue on and signed on its behalf by:



Andrew Hollingworth
Director
 30 January 2020

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Consolidated statement of changes in equity

	Share capital	Share premium	Merger reserve	Share Based Payment reserve	Capital contribution Reserve	Accumulated deficit	Total
CURRENT YEAR	£	£	£	£	£	£	£
Brought forward at 1 October 2018	636,572	4,923,336	(25,813)	255,099	34,239	(4,461,133)	1,362,300
Loss for the year	-	-	-	-	-	(1,673,186)	(1,673,186)
Total comprehensive loss for the year	-	-	-	-	-	(1,673,186)	(1,673,186)
Transactions with owners							
Issue of share capital net of share costs	126,202	489,225	-	-	-	-	615,427
Transfer of interest accrued	-	-	-	-	(34,239)	34,239	-
At 30 September 2019	762,774	5,412,561	(25,813)	255,099	-	(6,100,080)	304,541

See page 47 for description of each reserve.

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	Share capital	Share premium	Merger reserve	Share Based Payment reserve	Capital contribution Reserve	Accumulated deficit	Total
	£	£	£	£	£	£	£
PRIOR PERIOD							
Brought forward at 1 October 2017	117,084	3,261,279	(25,813)	114,417	88,499	(3,289,351)	266,115
Loss for the year	-	-	-	-	-	(1,226,042)	(1,226,042)
Total comprehensive loss for the year	-	-	-	-	-	(1,226,042)	(1,226,042)
Transactions with owners							
Share-based payment charge credited to equity	-	-	-	140,682	-	-	140,682
Issue of share capital net of share costs	519,488	1,662,057	-	-	-	-	2,181,545
Transfer of interest accrued	-	-	-	-	(54,260)	54,260	-
At 30 September 2018	636,572	4,923,336	(25,813)	255,099	34,239	(4,461,133)	1,362,300

Share capital comprises the ordinary share capital of the Company.

Share premium represents the aggregated excess of the fair value of consideration received for shares issued over par value in respect of shares issued by the Company net of attributable share issue costs and other permitted reductions.

The merger reserve arose on the share for share exchange and is described in Note 2a.

Share-based payments reserve represents the cumulative value of share-based payments recognised through equity.

Capital contribution reserve represents the present value adjustment to the interest free loan detailed in Note 11.

Accumulated deficit represents the aggregate retained deficit of the Group.

The notes (on pages 49 to 71) to the consolidated financial statements form an integral part of these financial statements.

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Consolidated statement of cash flows

	NOTE	Year ended 30 Sep 2019	Year ended 30 Sep 2018
		£	£
Cash flows from operating activities			
Operating loss		(1,645,105)	(1,346,748)
Depreciation and amortisation		19,819	8,271
Share-based payment charge		-	39,020
Write off Shareholder Loan		(456,341)	-
Changes in working capital			
Decrease / (increase) in receivables		(362,113)	14,758
Increase / (decrease) in payables		426,896	194,968
Net cash outflow from operating activities		(2,016,844)	(1,089,731)
Cash flows from financing activities			
Proceeds from issues of share capital (net of issue costs, see Note 10)*		615,427	2,283,207
Net cash from financing activities		615,427	2,283,207
Cash flows from investing activities			
Acquisition of intangible assets		(101,550)	(45,000)
Settlement of long term loan		(150,000)	-
R&D Tax credit		-	174,223
Interest (paid)/ received		6,158	743
Net cash from investing activities		(245,392)	129,966
Net increase in cash and cash equivalents		(1,646,809)	1,323,442
Cash and cash equivalents at start of year		2,144,209	820,767
Cash and cash equivalents at end of year	9	497,400	2,144,209

*differs to Note 10 in 2018 due to £101,662 share-based payment, being warrants issued to financial advisers on the September fundraise, deducted from share premium

The notes (on pages 49 to 71) to the consolidated financial statements form an integral part of these financial statements.

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Notes to the consolidated financial statements

1. General Information

a) Nature of operations

The Company was incorporated in England and Wales on 2 March 2016 as a public limited company and is domiciled in England and Wales. The Company's registered office is located at PO Box 501, The Nexus Building, Broadway, Letchworth Garden City, Hertfordshire, SG6 9BL.

The Group provides a range of telecoms services primarily targeted at the UK SME market. Services offered by the Group include business broadband, fibre, Ethernet First Mile and Ethernet data services, business mobile phones, cloud PBX and SIP Trunking and traditional services (calls and lines) all of which are delivered and managed through Merlin, the Group's proprietary software platform.

b) Component undertakings

The undertakings included in the financial statements are as follows (see also note 5):

Toople.com Limited
Ask Merlin Limited
Toople Finance Limited
Toople Management Services Limited
Ask Merlin Poland SP Zoo*

**Owned by Ask Merlin Limited*

2. Summary of Significant Accounting Policies

The principal accounting policies adopted by the Company in preparation of these financial statements are set out below:

a) Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use by the European Union, and effective, or issued and early adopted, as at the date of these statements. The financial statements have been prepared under the historical cost convention.

On 15 April 2016, the Company entered into four share for share exchange agreements with David Breith pursuant to which the Company acquired the entire issued share capital of each of Toople.com Limited, Toople Finance Limited, Toople Management Services Limited and AskMerlin Limited (together the "Subsidiaries") in consideration for the issue and allotment to David Breith of 39,000,000 ordinary shares in the Company. The merger reserve arose as a result of this share for share exchange.

The Directors consider the substance of the acquisition of the Subsidiaries by the Company to have been a reverse asset acquisition by the Subsidiaries and that the substance of the Subsidiaries was that of a single business under common ownership and control. Further, the Directors consider that the Company did not meet the definition of a business set out in IFRS3 'Business combinations'. As a consequence, the Directors consider that the transaction which gave rise to the formation of the Group fell outside

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the scope of IFRS 3 and have applied the business reorganisation principles of UK GAAP to account for the combination. The consolidated financial statements therefore present the combination as a continuation of the combined financial information of the Subsidiaries with no goodwill arising on the transaction.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

b) New Standards and Interpretations

At the date of approval of these financial statements, certain new standards, amendments and interpretations have been published by the International Accounting Standards Board but are not as yet effective and have not been adopted early by the Group. All relevant standards, amendments and interpretations will be adopted in the Group's accounting policies in the first period beginning on or after the effective date of the relevant pronouncement.

(i) New and amended standards adopted by the Group and Company

- IFRS 15 'Revenue from contracts with customers' – The Group has adopted the provisions of IFRS 15 'Revenue from Contracts with Customers' for the first time from 1 October 2018. No adjustments were required as a result of applying the new standard.

IFRS 15 introduces a five-step model for revenue recognition. Each of the five steps are detailed in the revenue recognition accounting policy (Note 2(g)), which has been updated to comply with the new revenue standard.

- IFRS 9 'Financial Instruments' – On 1 October 2018, the Group adopted the new accounting standard, IFRS 9 'Financial Instruments'. The standard replaces IAS 39, and is relevant to the Group in providing revised principles for the classification and measurement of financial instruments, and the introduction of the expected credit loss impairment model.

IFRS 9 replaces the 'incurred loss' model in IAS 39 (applied before 1 October 2018) with an 'expected credit loss' (ECL) model, which means that a loss event will no longer need to occur before an impairment allowance is recognised. The new expected credit loss model under IFRS 9 accelerates the recognition of impairment losses and leads to higher impairment allowances at the date of initial application.

There is no requirement under IFRS 9 to restate comparative financial information. There has also been no adjustment made to opening retained earnings in the current year in respect of the new accounting standard as the Directors do not consider any adjustment to arise in respect of prior periods as a result of its adoption.

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The relevant accounting policies (financial instruments, trade receivables) have been updated as appropriate in order to comply with the new standard.

(ii) New and amended standards and interpretations issued but not yet effective or not yet endorsed for the financial year beginning 1 October 2018 and not early adopted

At the date of authorisation of these Financial Statements, the Group and Company have not applied the following new and revised IFRSs that have been issued but are not yet effective and (in some cases) have not yet been endorsed by the EU. The Group and Company intend to adopt these standards, if applicable, when they become effective.

Standard / Interpretation	Title	Effective date
IFRS 16	Leases	1 January 2019
Annual Improvements	Annual Improvements to IFRS Standard 2015-2017 Cycle	1 January 2019
IFRS 3 (Amendments)	Business Combinations	1 January 2020*
IAS 1 & IAS 8 (Amendments)	Definition of Material	1 January 2020*

* Subject to EU endorsement

The Group and Company are evaluating the impact of the new and amended standards above.

The Directors do not anticipate that the adoption of these standards, amendments and interpretations will have a material impact on the Group's financial statements in the periods of initial application except that:

- IFRS 16 'Leases' is effective for annual periods beginning on or after 1 January 2019 and may be applied retrospectively. It will therefore be applied in the Group's 2020 financial statements for the first time. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor IAS 17. The Group's current lease expires in May 2020, and therefore the Directors do not anticipate any impact through the adoption of IFRS 16.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

c) Going Concern

The Group's business activities and financial position, together with the factors likely to affect its future development, performance and position are set out in the Governance Report in the front end of the financial statements.

The Directors have carried out a detailed assessment of going concern as part of the financial reporting process, taking into consideration a number of matters including

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forecast cash flows for a period of at least 12 months from the date of approval of the Financial Statements, medium and long term business plans and expectations.

At 30 September 2019 the Group had £497k of cash and net assets of £305k. The Directors, having given due and careful consideration, are of the opinion that although the Company will need to raise further funds over the 12 months following approval of the financial statements in order to execute its strategy and for working capital, it has the ability to access additional financing, if required, over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements in accordance with Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009.

The going concern basis of accounting has been applied based on management's consideration of financial projections and business plan for the business, these include a number of forward looking assumptions about the future growth in the customer base and a reduction in costs following the successful website development, digital marketing, and Merlin integration with its associated consultants and agencies. As such management consider the going concern basis to be appropriate.

A material uncertainty in relation to going concern has been included in the independent auditor's report.

d) Financial Instruments

Financial assets and liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company currently does not use derivative financial instruments to manage or hedge financial exposures or liabilities.

Financial Assets

The financial assets currently held by the Group and Company are classified as financial assets held at amortised cost. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment under the expected credit loss model

The expected credit loss is calculated as a function of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD).

The amount of the expected credit loss is measured as the difference between all contractual cash flows that are due in accordance with the contract and all the cash flows that are expected to be received (i.e. all cash shortfalls), discounted at the original effective interest rate (EIR).

The carrying amount of the asset is reduced through use of allowance account and recognition of the loss in the Statement of Comprehensive Income. Allowances for credit losses on financial assets are assessed collectively. Collectively assessed impairment allowances cover credit losses inherent in portfolios of financial assets with similar credit

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risk characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified.

In assessing collective impairment, the Group uses information including historical trends in the probability of default (although this is limited given the relatively short trading history of the Group), timing of recoveries and the amount of expected loss, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical evidence. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

IFRS 9 suggests the use of reasonable forward-looking information to enhance ECL models. The Group incorporates relevant forward-looking information into the loss provisioning model.

Financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position

Cash and cash equivalents include cash in hand and amounts held on short term deposit. Any interest earned is accrued monthly and classified as finance income. Short term deposits comprise deposits made for varying periods of between one day and three months.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

Derecognition of Financial Assets

The Group and Company derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the asset and substantially all the risk and rewards of ownership of the asset to another entity.

Financial Liabilities

The Group and Company classify their financial liabilities into one category, being other financial liabilities measured at amortised cost.

The Group's accounting policy for the other financial liabilities category is as follows:

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method. All interest and other borrowing costs incurred in connection with the above are expensed as incurred and reported as part of financing costs in profit or loss. The Group and Company derecognise financial liabilities when, and only when, the obligations are discharged, cancelled or they expire.

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e) Trade and Other Receivables and Payables

Trade and other receivables and trade and other payables are initially recognised at fair value. Fair value is considered to be the original invoice amount, discounted where material, for short-term receivables and payables. Long term receivables and payables are measured at amortised cost using the effective interest rate method.

Trade and other receivables are stated after impairment under the expected credit loss model as described in Note 2d).

f) Taxation

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the statement of financial position date.

g) Revenue recognition

The process of revenue recognition described by IFRS 15 is based on the core principle "that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services." Each promise or performance obligation is accounted for separately.

Revenue is recognised in accordance with that core principle and applying the following 5 step process:

1. *Identify the contract(s) with a customer;*
2. *Identify the performance obligations in the contract – includes an assessment of whether a contract includes multiple promises for goods and services (performance obligations) that are distinct and separately identifiable;*
3. *Determine the transaction price – based on the consideration in a contract to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer;*
4. *Allocate the transaction price to the performance obligations in the contract - either based on the observed or estimated stand-alone selling price for each performance obligation; and*

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5. *Recognise revenue when (or as) the entity satisfies a performance obligation – this may be determined as being satisfied at a point in time or satisfied over time.*

Contracts with customers should be structured to ensure clarity of the definitions, timing and amounts relating to the delivery of performance obligations. Within the Toople Group, the Group earns revenue from the sale of telecommunication service services to customers. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers. The following types of income are typically derived and recognised on the following basis:

Revenue Type	Revenue Description	Recognition Basis
A. Telecommunication Services	The Group provides multiple services including the provision of broadband, mobile phones, telephony calls and minutes and wholesale services. For these services, a fixed monthly fee is charged for the duration of the customer contract period. The monthly transaction price is fixed at the outset of the contract period for all bundled services and this is deemed to be the transaction price. Calls to certain destinations can be bought by customers under fixed price bundles which are recognised as monthly fees. Where calls are made outside these bundles, they are treated as a variable revenue stream based on a number of minutes multiplied by unit price, billed to the customer on a monthly basis and recognised at the point of usage. These charges are not part of the fixed monthly fee and are based on the customer's actual usage.	Point in Time - Recognised as the services are performed and consumed by the customer on a monthly basis.
B. Connection fees	Connection fees are chargeable to customers for certain services and revenues are recognised at the time of installation and go-live.	Point in time - Recognised at point of installation

h) Segmental reporting

For the purpose of IFRS 8 the chief operating decision maker ("CODM") is the Board of Directors. The Directors are of the opinion that the business comprises a single economic activity, being the provision of telephony services and that currently this activity is undertaken solely in the United Kingdom. All of the income and non-current assets are derived from the United Kingdom. The Company has a single customer that, in the reporting period, amounted to more than 10% of the Company revenue, revenue generated from this customer amounted to £376,674 (2018: £674,356). At meetings of the Directors, income, expenditure, cash flows, assets and liabilities are reviewed on a whole Group basis. Based on the above considerations there is considered to be one reportable segment only namely telephony services.

Therefore, the financial information of the single segment is the same as that set out in the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes to equity and the consolidated statement of cash flows.

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i) Share-based payments

The cost of equity settled transactions is recognised, together with any corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date when the individuals become fully entitled to the award ('vesting period'). The cumulative expense recognised for equity settled transactions at each reporting date until the vesting date has expired represents the Group's best estimate of the number of equity instruments and the value which will ultimately vest. The statement of comprehensive income charge for the period represents the movement in the cumulative expense recognised at the end of that period.

The fair value of share-based remuneration is determined at the date of grant and recognised as an expense in the statement of comprehensive income on a straight line basis over the vesting period taking into account the estimated number of shares that will vest. Unless otherwise stated the value is determined by use of a Black-Scholes model.

j) Financial risk management objectives and policies

The Group does not enter into any forward exchange rate contracts.

The main financial risks arising from the Group's activities are cash flow interest rate risk, liquidity risk, price risk (fair value) and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised as:

Cash flow interest rate risk – the Group's exposure to the risk of changes in market interest rates relates primarily to the Group's overdraft accounts with major banking institutions and on loans from shareholders

Liquidity risk – the Company raises funds as required on the basis of budgeted expenditure and inflows. When funds are sought, the Company balances the costs and benefits of equity and debt financing. When funds are received they are deposited with banks of high standing in order to obtain market interest rates.

Credit risk – with respect to credit risk arising from other financial assets of the Group, which comprise cash deposits and accounts receivable, the Group's exposure to credit risk arises from default of the counterparty, with a minimum exposure equal to the carrying amount of these instruments. The credit risk on cash is limited as cash is placed with substantial financial institutions.

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k) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings, using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

l) Equity

Equity instruments issued by the Company are recorded at the value of net proceeds after direct issue costs.

m) Research and Development

Expenditure on research (or the research phase of an internal project) is recognised as an expense in the period in which it is incurred.

Development costs incurred are capitalised only when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible;
- the Group intends to complete the intangible asset and use or sell it;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Directly attributable costs that are capitalised as part of the Merlin platform development include the software development employee or contractor cost. Attributable overheads are not capitalised. Development costs not meeting the criteria for capitalisation are expensed as incurred.

Amortisation is provided on development costs so as to write off the cost, less any estimated residual value, over the expected useful life which has been estimated as being 5 years. Amortisation commences upon completion of the asset, and is shown

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within administrative expenses. Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date. In addition, all internal activities related to the research and development of new software products are continuously monitored by the Directors.

3. Significant accounting judgements, estimates and assumptions

Management consider the significant accounting judgements, estimates and assumptions used within the financial statements to be:

Share-based payments

No warrants were issued in the year ending 30 September 2019.

During the year ending 30 September 2018 the Company issued warrants in lieu of fees to brokers and financial advisers at the time of the fund-raise in September 2018. The warrant agreements did not contain vesting conditions and therefore the full share based payment charge, being the fair value of the warrants using the Black-Scholes model, had been recorded immediately. Such charges were previously recorded against the share premium as a direct transaction cost. The valuation of these warrants involves making a number of estimates relating to price volatility, future dividend yields and continuous growth rates (see Note 10).

Capitalisation of development costs

Included within Intangible Assets are costs capitalised in connection with the Group's Merlin platform. These costs are based on management's view of the development team's time spent on the projects and considering the requirements of IAS 38 "Intangible Assets". Development costs are amortised over the life of the project once it has been released to the commercial environment. Management base a project's commerciality on when revenues can be generated from the platform's internally generated software. The projected useful lives of intangible assets are based on management estimates of the period that the asset will be able to generate revenue. The carrying value is tested for impairment when there is an indication that the value of the assets might be impaired. Impairment tests are based upon future cash flow forecasts and involve management's judgement in relation to the software. Future events could cause the assumptions to change and therefore could impact the future results of the Group.

The key estimates involved are surrounding the total man hours per development project, the standard cost per hour calculated, the projected revenues and profitability expected to arise as a result of the developments to the platform resulting in economic benefit, and the useful lives of the add-ons.

Provision for bad and doubtful debts

During the course of the year, despite stringent credit checks and approval processes being in place, as customer numbers and orders increased exponentially, we also experienced a sharp increase in non-paying customers during the period. This was not completely unexpected given the micro-SME market within which the Group operates. The Board has taken a comprehensive review of the outstanding debts as at 30

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September 2019 to assess the recoverability of the debt and any provisions that may be required however judgement is needed in making these assessments. In performing this review, the Board has taken into account the following matters when performing this estimate:

- Any cash receipts from customers post year end
- Age of debt
- Segmentation of the customer base between B2B and B2C customers to assess degree of recoverability and payment trends on the two segments
- Discussions with the Group's third party professional debt collection agents to assess underlying reasons for non-payment, contact rate with customers, payment plans made with customers, their overall view on the recoverability of the debtor book and over what time frame and the expected realisable value if the debtor book were sold to a third party, given its segmentation and ageing profile.

Taking into account the above factors, the impairment provisions made range between 20-50% of the balance outstanding. The estimates and assumptions used to determine the level of provision will continue to be reviewed periodically and could lead to changes in the impairment provision methodology which would impact the income statement in future years.

4. Loss before taxation

The loss before taxation is stated after charging/ (crediting):

	2019 £	2018 £
Depreciation and amortisation	19,819	8,270
Impairment of trade receivables	420,226	31,937
Fees payable to the Company's auditor for the audit of the Company's annual accounts	26,250	25,000
Payments made under operating leases	127,949	109,208
Share-based payment charges	-	39,020
Write off shareholder loan *	(456,341)	-

* On 3 May 2016, the Company put in place formal documentation relating to the balance owed to David Breith, a former majority shareholder. The balance could not be recalled by David Breith until the third anniversary of the agreement and after this anniversary only repayable if the Board considered the Company in a position to service the debt. Therefore, the balance has been classified as non-current in the financial statements. The loan was interest free and at 30 September 2018 had a cash value of £606,756. The Directors considered the market rate of interest that they may be able to obtain for a similar borrowing from a third party to be 10%. On 28 May 2019, the company entered into an agreement with David Breith to settle the outstanding loan in full for £150,000. At this time the present value of the loan was 606,341 and the gain on the settlement of this loan has been treated as an exceptional item in the statement of comprehensive income for the year ended 30 September 2019.

Administrative expenses include:

Marketing costs	573,183	263,939
Wages (including Directors)*	827,558	538,090

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Social Security (including Directors)	91,367	53,804
Professional fees re R&D tax credits	-	40,207
<i>*Excludes consulting fees payable to certain Directors of £85,200 (2018: £ 71,912)</i>		

In addition to the above in the year ended 30 September 2019 transaction costs totalling £46,804 (2018: £258,196) were payable to the Company's brokers and professional advisers at the time following the Placing of new shares to the Official List in June 2019 and this has been recognised against the share premium account.

5. Taxation

Analysis of charge in the year

	2019	2018
	£	£
Current tax		
UK corporation tax credit	Nil	174,223
Loss on ordinary activities before tax	(1,673,186)	(1,400,265)
Analysis of charge in the year		
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(317,905)	(266,050)
Tax effects of:		
R&D tax credit	-	174,223
Non-deductible expenses	(83,575)	15,731
Trading losses carried forward	401,480	250,319
Tax credit for the year	-	174,223

The Group has accumulated tax losses arising in the UK of approximately £5,980,163 (2018: £3,867,108) that are available, under current legislation, to be carried forward against future profits.

No deferred tax asset has been recognised in respect to these losses due to the uncertainty of future trading profits.

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6. Earnings per share

The calculation of earnings per share is based on the following loss and number of shares:

	2019	2018
	£	£
Loss for the year from continuing operations	(1,673,186)	(1,226,042)
Weighted average number of shares in issue	1,016,586,223	203,320,891
Basic and diluted loss per share	(0.16p)	(0.60p)

As detailed in Note 2a, the consolidated financial statements present the combination as a continuation of the combined financial information of the Subsidiaries with no goodwill arising on the transaction. Basic earnings per share is calculated by dividing the loss for the year from continuing operations of the Company by the weighted average number of ordinary shares in issue during the year.

The Company has in issue warrants at 30 September 2019, these are detailed in note 10. The inclusion of the warrants in the weighted average number of shares in issue would be anti-dilutive and therefore they have not been included.

7. Intangible assets

	Developed technology and development costs	Website Development costs	Total
	£	£	£
Cost			
At 1 October 2018	45,000	17,800	62,800
Additions	101,550	-	101,550
At 30 September 2019	146,550	17,800	164,350
Amortisation and impairment			
At 1 October 2018	2,625	17,800	20,425
Charge for period	19,819	-	19,819
At 30 September 2019	22,444	17,800	40,244
Net book amount			
At 30 September 2019	124,106	-	124,106
At 30 September 2018	42,375	-	42,375

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8. Trade and other receivables

	2019 £	2018 £
Current		
Trade receivables	429,530	78,815
Other receivables including taxes and social security costs	77,408	87,298
Prepayments and accrued income	156,590	135,302
	663,528	301,415

At 30 September 2019 management reviewed the trade receivables balance and have recognised a provision of £433,364 (2018: £31,937) against receivables where there is uncertainty over recoverability. The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in note 3 to the financial statements.

There are no material differences between the fair value of trade and other receivables and their carrying value at the year end.

The Group's trade receivables are all denominated in UK Sterling and the ageing of gross trade receivables is as follows:

	2019 £	2018 £
0-2 months	172,980	73,437
2-3 months	149,678	-
Over 3 months	530,696	37,314
	853,354	110,752

The ageing of the expected credit losses of trade receivables is as follows:

	2019 £	2018 £
0-2 months	30,000	-
2-3 months	86,641	-
Over 3 months	307,183	31,937
	423,824	31,937

9. Cash and cash equivalents

	2019 £	2018 £
Bank current account (HSBC)*	497,400	2,144,209

* HSBC has a credit rating of Aa3 (Moody's)

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10. Share capital and warrants

	2019		2018	
	No.	£	No.	£
Authorised, allotted and fully paid				
Ordinary shares	1,143,589,455	762,774	954,380,559	636,572
		Ordinary shares	Share Capital	Share Premium
		No.	£	£
Share capital				
At 1 October 2018		954,380,559	636,572	4,923,336
Proceeds from share issues		189,208,896	126,203	536,030
Net of issue costs				(46,803)
At 30 September 2019		1,143,589,455	762,774	5,412,563

*Transaction costs accounted for as a deduction from equity of £46,804 (2018: £258,196).

On 25 September 2018 the Company placed 733,333,333 ordinary 0.0667p shares at a subscription price of 0.3p per share. Commissions of £165,000 were payable to the brokers at the time and this has been recognised against share premium. At the same time the Company issued 17,133,332 shares at the same subscription price to the Directors of the Company to settle £51,400 of unpaid fees owed to them.

On 3 June 2019 the Company placed 189,208,896 ordinary 0.0667p shares at a subscription price of 0.3p per share. Commissions of £33,112 were payable to the brokers at the time plus other costs of £13,692 and this has been recognised against share premium.

Warrants

On 10 May 2016 following the Company's listing on the London Stock Exchange, the Company issued warrants over 8,100,000 ordinary shares as follows:

- 3,000,000 warrants to the Non-Executive Directors to subscribe for one new ordinary share at £0.08 per share at any time during the period commencing on the second anniversary of Admission ("Vesting Date") and at the second anniversary of the Vesting Date, a vesting condition of the warrants was that the holder is a Director of the Company on the date of vesting;
- 5,000,000 warrants to the subscribers to the placing to subscribe for one new ordinary share at £0.16 per share at any time during the period commencing on admission and expiring at midnight on the second anniversary thereof save that in the event that the closing price of the ordinary shares is equal to or in excess of £0.24 pence for 10 consecutive trading days then the Company may serve notice on the warrant holders requesting that they exercise their warrants within 14 days in lieu of which they shall lapse; and
- 100,000 warrants to Cairn Financial Advisers to subscribe for one new ordinary share at £0.08 per share at any time during the period commencing on admission and expiring at midnight on the second anniversary thereof

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

The fair value of the 3,000,000 warrants issued to the Non-Executive Directors and of the 100,000 warrants issued to Cairn Financial Advisers have been determined using the Black-Scholes option pricing model. The fair value at the date of grant per warrant was £0.04 for the 3,000,000 tranche and £0.03 for the 100,000 tranche. The fair value of the warrants issued to the Non-Executive Directors has been charged to the income statement evenly over the vesting period resulting in a charge in the current period of £nil (2018: £39,020). The fair value of the warrants issued to Cairn Financial Advisers of £3,080 has been included in the costs of the Company's placing and therefore debited to share premium in the prior year.

The inputs to the Black-Scholes model were as follows:

Warrants granted	3,100,000
Stock price	8p
Exercise price	8p
Risk free rate	1%
Volatility	70%
Time to maturity	4 years/2 years

The Company listed on the main market of the London Stock Exchange on 10 May 2016. It is difficult to calculate the expected volatility of its share price at the year end. Management have therefore considered volatility of listed entities in similar operating environments to calculate the expected volatility.

The fair value of the 5,000,000 warrants issued to subscribers to the placing is considered to comprise a component of the fair value of the ordinary shares issued in the placing. The Directors do not consider the fair value of the warrants to be a material component of the fair value of the shares issued in the placing.

On 20 June 2017 the Company issued 3,230,625 warrants advisers to the company to subscribe for one new ordinary share at £0.02 per share at any time from the date of issue to the third anniversary of date of issue.

The inputs to the Black Scholes model were as follows:

Warrants granted	3,230,625
Stock price	2p
Exercise price	2p
Risk free rate	1%
Volatility	70%
Time to maturity	3 years

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On 25 September 2018 the Company issued 34,666,666 warrants as follows:

- 1,666,666 warrants to advisers to the Company to subscribe for one new ordinary share at £0.003 per share;
- and 33,000,000 warrants to advisers to the Company to subscribe for one new ordinary share at £0.005 per share at any time from the date of issue to the third anniversary of date of issue.

The inputs to the Black Scholes model were as follows:

Warrants granted	34,666,666
Stock price	0.31p
Exercise price	0.3/0.5p
Risk free rate	0.83%
Volatility	271%
Time to maturity	2 years

The fair value of the warrants is £101,661 and this has been recognised in share premium on the basis they were issued for services relating to the placing.

At 30 September 2019, warrants for 40,997,291 new Ordinary Shares in the Company were in issue as follows:

	2019		2018	
	No. of warrants	Weighted average price (p)	No. of warrants	Weighted average price(p)
As at 1 October	40,997,291	0.4	6,330,625	0.8
Granted during the year	-	-	34,666,666	0.3
At 30 September	40,997,291		40,997,291	

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The outstanding warrants are exercisable as follows:

Warrants Issued	No. of warrants	Exercise price (p)	Exercisable
10 May 2016	3,000,000	8p	Exercisable from 10 May 2018 and expiring on 10 May 2020
10 May 2016	100,000	8p	Exercisable from 10 May 2018 and expiring on 10 May 2020
05 June 2017	350,000	2p	Exercisable from 5 June 2017 and expiring on 20 June 2020
05 June 2017	1,500,000	2p	Exercisable from 5 June 2017 and expiring on 20 June 2020
05 June 2017	1,380,625	2p	Exercisable from 5 June 2017 and expiring on 20 June 2020
25 September 2018	1,666,666	0.3p	Exercisable from 25 September 2020 and expiring on 25 September 2022
25 September 2018	20,512,500	0.5p	Exercisable from 25 September 2020 and expiring on 25 September 2022
25 September 2018	12,487,500	0.5p	Exercisable from 25 September 2020 and expiring on 25 September 2022
At 30 September 2019	40,997,291		

The warrants outstanding at 30 September 2019 had a weighted average remaining contractual life of 2 years, 230 days (2018: 3 years, 230 days).

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11. Trade and other payables

	2019	2018
	£	£
Trade payables	516,348	304,527
Social Security and other taxes	123,510	35,576
Other payables	22,613	22,613
Accruals and deferred income	318,027	190,881
	980,493	553,597
	2019	2018
	£	£
Non – current liabilities		
Shareholder loan account	-	572,102

Financial liabilities, with the exception of the shareholder loan included within trade and other payables are all considered to be repayable within 30 days.

On 3 May 2016, the Company put in place formal documentation relating to the balance owed to David Breith, a former majority shareholder. The balance could not be recalled by David Breith until the third anniversary of the agreement and after this anniversary only repayable if the Board considered the Company in a position to service the debt. Therefore, the balance has been classified as non-current in the financial statements.

The loan was interest free and at 30 September 2018 had a cash value of £606,756. The Directors considered the market rate of interest that they may be able to obtain for a similar borrowing from a third party to be 10%. On 28 May 2019, the company entered into an agreement with David Breith to settle the outstanding loan in full for £150,000. At this time the present value of the loan was 606,341 and the gain on the settlement of this loan has been treated as an exceptional item in the statement of comprehensive income for the year ended 30 September 2019.

12. Related party disclosures

	2019	2018
	£	£
Goods/services purchased from Vitrx Limited	-	10,696
Goods/services purchased from Diffrenet Limited	-	-
Goods/services purchased from Dotfusion Limited	75,120	61,470
Goods/services purchased from High Lees Consulting	32,000	19,200
Goods/services purchased from KBL Consulting Limited	53,200	11,900
Goods/services supplied to Vitrx Limited	-	74,450
Goods/services supplied to Diffrenet Limited	-	-
Goods/services supplied to High Lees Consulting	-	1,184
	160,320	178,900

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The companies, Vitrx, Diffrenet & Doffusion are disclosed as related parties due to the nature of the business relationship with Mr David Breith, who was a major shareholder of Toople PLC until July 2018. Mr David Breith is a Director or co-owner of the above companies, excluding Doffusion. Vitrx Limited was a related party for five months of the year, as David Breith resigned as director of Vitrx Limited on 19 February 2018. All transactions with these companies have been disclosed for the full year, for comparison purposes.

Mr Piotr Kwiatkowski is the owner of Doffusion and is a shareholder in Toople PLC.

There were no balances outstanding between the above parties at 30 September 2019 apart from a balance of £367 due from Vitrx Limited (2018: £357).

Mr Richard Horsman is the owner of High Lees Consulting and is a shareholder in Toople Plc and non-executive Chairman. There was a balance of £16,000 (2018: £4,833) owing to High Lees Consulting at the end of the period.

Mr Kevin Lawrence is the owner of KBL Consulting Limited and is a shareholder in Toople Plc and Chief Financial Officer. There was a balance owing at the end of the period of £24,500 (2018 nil).

During the year to 30 September 2019 Toople Plc recharged certain administrative expenses to its subsidiaries through a management fee. The total amount charged was £376,332 (2018: £343,885). At 30 September 2019 Toople Plc was owed £5,958,665 (2018: £3,786,762) from its subsidiaries.

13. Directors, key management and employees

Details of the Directors and key management personnel are set out on pages 12 to 13. Key management personnel is considered to be the Directors and Piotr Kwiatkowski. The latter is not a salaried employee and does not receive remuneration from the Company. Relevant related party transactions are disclosed in Note 12.

Details of Directors' remuneration are set out in the Remuneration Committee Report on page 29 to 34.

The total remuneration of the directors and key management personnel is £278,000 (2018: £235,733), as set out below in aggregate for each of the categories specified in IAS 24:

Directors	2019 £	2018 £
Short term benefits - Salaries and fees	278,000	196,713
Long Term Benefits	-	-
Share based payments	-	39,020
Total	278,000	235,733

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The average number of persons employed by the Group (excluding Directors) during the year was 18 (2018: 14), analysed by category as follows:

	2019 No.	2018 No.
Management and Finance	2	2
Sales and Marketing	9	6
Operations & IT	7	6
Total	18	14

Staff costs during the year (including Directors salaries and fees) were as follows:

	2019 No.	2018 No.
Wages and salaries (including Directors salaries and fees)	1,000,544	664,003
Social security costs	95,282	53,804
Pension costs	14,326	4,722
Total	1,110,152	722,529

14. Financial Instruments

The Group's principal financial instruments comprise cash balances, accounts payable and accounts receivable arising in the normal course of its operations.

The financial instruments of the Group at year-end were:

	2019 £	2018 £
Financial Assets at amortised cost		
Cash and cash equivalents	497,400	2,144,209
Trade and other receivables	506,938	156,224
Financial liabilities at amortised cost		
Trade and other payables	867,510	1,090,122

a) Interest rate risk

The Group has floating rate financial assets in the form of deposit accounts with major banking institutions; however, it is not currently subjected to any other interest rate risk.

Based on cash balances at the statement of financial position date, a rise in interest rates of 1% would not have a material impact on the profit and loss of the Group.

b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

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The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due. All current liabilities are considered to be repayable on demand.

c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The allowance account for trade receivables is used to record impairment losses unless the Group has no reasonable expectations of recovery; at that point the amounts considered irrecoverable are written off against the trade receivables directly. The Group provides for impairment losses based on expected credit losses. For trade receivables, the Group applies the IFRS 9 simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group had trade receivables of £429,530 at 30 September 2019 (2018: £78,815), net of bad debt provisions. The methodology adopted for determining the bad debt provision is detailed in Note 3 to the financial statements.

d) Capital risk management

The Group defines capital as the total equity of the Company and its subsidiaries. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders of the Company and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

e) Fair value of financial assets and liabilities

There are no material differences between the fair value of the Group's financial assets and liabilities and their carrying values in the financial information.

15. Pension Commitments

The Group had no pension commitments outstanding at the year end.

16. Dividends

No dividends have been proposed or paid for either the current or previous reporting periods.

17. Ultimate Controlling Party

The Directors have determined that there is no controlling party as no individual shareholder is considered to hold a controlling interest in the Company.

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18. Subsequent events

There have been no material events occurring subsequent to the year-end requiring disclosure.

19. Operating leases

The amounts of minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Operating leases which are due:		
Within one year	51,000	81,000
In the second to fifth years inclusive	-	51,000
Over five years	-	-
	51,000	132,000

The Group has entered into licensing arrangements in respect of its property lease. Income from such arrangements is as follows:

	2019	2018
	£	£
Property rental income	106,637	104,529

Under such arrangements, the licence terminates immediately at any time should the licensor cease to be in occupation of the premises.

20. Copies of the Annual Report

Copies of the annual report will be available on the Company's website at www.toople.com and from the Company's registered office.

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Company statement of financial position

	NOTE	2019 £	2018 £
ASSETS			
Non-current assets			
Investments in subsidiaries	5	26,013	26,013
Current assets			
Trade and other receivables	6	6,051,883	3,874,765
Cash and cash equivalents		367,913	2,053,750
		6,419,796	5,928,515
Total assets		6,445,809	5,954,528
EQUITY and LIABILITIES			
Capital and reserves attributable to equity shareholders			
Share capital	7	762,774	636,572
Share premium	7	5,412,561	4,923,336
Share-based payment reserve		255,099	255,099
Accumulated deficit		(243,902)	(116,225)
Total equity		6,186,532	5,698,782
Current liabilities			
Trade and other payables	8	259,277	255,746
Total equity and liabilities		6,445,809	5,954,528

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently a profit and loss account has not been presented for the Company. The Company's loss for the financial period was £127,677 (2018: £77,317).

The notes (on pages 75 to 78) to the parent company financial statements form an integral part of these financial statements.

This report was approved by the Board and authorised for issue on and signed on its behalf by:



Andrew Hollingworth, Director
 30 January 2020
 Company Registration Number: 10037980

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Company statement of changes in equity

	Share capital £	Share premium £	Share Based Payment reserve £	Accumulated deficit £	Total £
Brought forward at 1 October 2018	636,572	4,923,336	255,099	(116,225)	5,698,782
Loss for the year				(127,677)	(127,677)
Total comprehensive loss for the year	-	-	-	(127,677)	(127,677)
Transactions					
Issue of share capital net of share issue costs	126,202	489,225	-	-	615,427
At 30 September 2019	762,774	5,412,561	255,099	(243,901)	6,186,532

	Share capital £	Share premium £	Share Based Payment reserve £	Accumulated deficit £	Total £
PRIOR PERIOD					
Brought forward at 1 October 2017	117,084	3,261,279	114,417	(38,908)	3,453,872
Loss for the year				(77,317)	(77,317)
Total comprehensive loss for the year	-	-	-	(77,317)	(77,317)
Transactions with owners					
Issue of share capital net of share issue costs	519,488	1,662,057	-	-	2,181,545
Share-based payment charge credited to equity	-	-	140,682	-	140,682
At 30 September 2018	636,572	4,923,336	255,099	(116,225)	5,698,782

Share capital comprises the ordinary issued share capital of the Company.

Share premium represents the aggregated excess of the fair value of consideration received for shares issued over par value in respect of shares issued by the Company net of attributable share issue costs and other permitted reductions.

Share-based payments reserve represents the cumulative value of share-based payments recognised through equity.

Accumulated deficit represents the aggregate retained deficit of the Company.

The notes (on pages 75 to 78) to the parent company financial statements form an integral part of these financial statements.

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Company statement of cash flows

	2019 £	2018 £
Cash flows from operating activities		
Operating loss	(127,677)	(77,317)
Share-based payment charge	-	39,020
Changes in working capital		
Increase in receivables	(5,215)	(26,836)
Increase in payables	3,532	95,992
Taxation	-	-
Net cash outflow from operating activities	(129,360)	30,859
Cash flows from financing activities		
Proceeds from issues of share capital*	615,427	2,283,208
Net cash from financing activities	615,427	2,283,208
Cash flows from investing activities		
Advances to subsidiaries	(2,171,904)	(1,008,069)
Net cash from investing activities	(2,171,904)	(1,008,069)
Net increase in cash and cash equivalents	(1,685,837)	1,305,998
Cash and cash equivalents at start of year	2,053,750	747,752
Cash and cash equivalents at end of year	367,913	2,053,750

*differs to Note 10 due to £46,803 (2018 £101,662) share-based payment, being warrants issued to financial advisers on the September 2018 fundraise, deducted from share premium

The notes (on pages 75 to 78) to the Parent Company financial statements form an integral part of these financial statements.

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Notes to the Company financial statements

1. General Information

The Company was incorporated in England and Wales on 2 March 2016 as a public limited company. The Company's registered office is located at PO Box 501, The Nexus Building, Broadway, Letchworth Garden City, Hertfordshire, SG6 9BL.

It is the holding Company of a Group which provides a range of telecoms services primarily targeted at the UK SME market. Services offered by the Group include business broadband, fibre, Ethernet First Mile and Ethernet data services, business mobile phones, cloud PBX and SIP Trunking and traditional services (calls and lines) all of which are delivered and managed through Merlin, the Group's proprietary software platform.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use by the European Union, and effective, or issued and early adopted, as at the date of these statements. The financial statements have been prepared under the historical cost convention.

For details of new standards and interpretations adopted during the financial year, as well as those not yet effective and not early adopted, please refer to Note 2b to the consolidated financial statements.

The principal accounting policies adopted by the Company are the same as those for the Group. Additional policies in respect of material items are set out below:

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Key judgements and estimates

The Company is the holding Company of the Group's subsidiary undertakings and acts as an investment holding company. Management consider the significant accounting judgements, estimates and assumptions used within the financial statements to be:

Amounts due from subsidiary undertakings

The Company acts as an investment holding company of the Group's subsidiary undertakings and is the entity listed on the London Stock Exchange. In execution of the Group's business plan, any funds raised from shareholders are advanced to the Group's subsidiary undertakings to enable them to execute their business plans approved by the Board. The Group is at an early stage and still within its rapid growth of development and consequently its subsidiary undertakings require working capital funding which is advanced by the Company. Having due regard to the Group's business plan and working capital requirements, the Directors are of the opinion that the amounts due from subsidiary undertakings will be recoverable in the future however, future events could cause the assumptions to change and therefore could impact the future results of the Company and the recovery of these amounts.

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The key estimates involved are surrounding projected growth rates in revenue and margins, and the Directors have taken into account all relevant available information in preparing these projections.

3. Loss for the financial period

Auditor's remuneration to PKF Littlejohn LLP of £26,250 (2018: £25,000) for audit services provided to the Company are charged to a subsidiary company.

4. Directors' remuneration

The average number of persons employed by the Company during the period was 4, analysed by category as follows:

	2019	2018
Directors and management	4	4

Staff costs during the period are borne by subsidiary entities.

5. Investment in subsidiaries

	2019 £	2018 £
At 30 September	26,013	26,013

The Company owns more than 20% of the issued share capital of the following undertakings:

Name	Incorporated	Registered office	Activities	Capital	% held
Toople.com Limited	England & Wales	PO BOX 501 The Nexus Building Broadway Letchworth Garden City England SG6 9BL	Provision of telecoms services	Ordinary shares	100%
Ask Merlin Limited	England & Wales	As above	Software development	Ordinary shares	100%
Toople Finance Limited	England & Wales	As above	Dormant	Ordinary shares	100%
Toople Management Services Limited	England & Wales	As above	Dormant	Ordinary shares	100%
Ask Merlin Poland SP Zoo	Poland	Diaamentowa 3 73-108 Morzyczyn Poland	Software development	Ordinary shares	100%

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6. Other receivables

	2019	2018
	£	£
Current		
Amounts due from subsidiary undertakings	5,958,665	3,786,762
Other receivables	93,218	88,003
	6,061,883	3,874,765

7. Share capital

Details of the Company's share capital and equity instruments are set out in note 10 to the consolidated financial statements

8. Other payables

	2019	2018
	£	£
Current		
Trade creditors	49,987	136,792
Social security and other taxes	26,689	5,885
Accruals and deferred income	166,440	101,068
Other Creditors	16,161	12,000
	259,277	255,745

9. Related party disclosures

Other than financing and trade with wholly owned subsidiaries the Company did not enter into any other related party transactions. Remuneration of Directors and Key management can be found in note 13 to the consolidated financial statements.

10. Operating leases

The amounts of minimum lease payments under non-cancellable operating leases are as follows:

	2019	2018
	£	£
Operating leases which are due:		
Within one year	51,000	76,500
In the second to fifth years inclusive	-	51,000
Over five years	-	-
	51,000	127,500

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The Group has entered into licensing arrangements in respect of its property lease. Income from such arrangements is as follows:

	2019	2018
	£	£
Property rental income	106,637	104,529

Under such arrangements, the licence terminates immediately at any time should the licensor cease to be in occupation of the premises.

11. Financial instruments

The Company's principal financial instruments comprise cash balances, accounts payable and accounts receivable arising in the normal course of its operations.

The financial instruments of the Company at year-end were:

	2019	2018
	£	£
Financial assets measured at amortised cost		
Cash and cash equivalents	367,913	2,053,750
Trade and other receivables	5,959,290	3,874,765
Financial liabilities measured at amortised cost		
Trade and other payables	259,277	255,746

Details of the Company's exposure to risk can be found in note 14 to the consolidated financial statements.