Satellite Solutions Worldwide.

Annual Report & Accounts 2017

Satellite Solutions Worldwide.

Company Information

Directors	M Tobin OBE A Walwyn F Waters S Clifton P Howard S Morana – appointed 10 February 2017 R Sargent – resigned 10 February 2017
Company registration number	09223439
Company secretary	B Harber
Registered office	Satellite House 108 Churchill Road Bicester Oxfordshire United Kingdom OX26 4XD
Broker & Nominated adviser	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Solicitors	Shepherd and Wedderburn 10 St. Paul's Churchyard London EC4M 8AL
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Auditors	haysmacintyre 10 Queen Street Place London EC4R 1AG

Contents

COMPANY OVERVIEW

Satellite Solutions Worldwide Group plc ('Satellite Solutions' or the 'Company', 'Group' or 'SSWG') is a global telecommunications business specialising in the delivery of alternative super-fast broadband services via satellite, wireless and associated technologies. The Group operates a number of trading brands across the world including:

- Europasat in Europe
- Avonline in the UK
- Quickline in the UK
- Breiband in the Nordics
- Skymesh in Australia
- Bordernet in Australia

The Group's super-fast broadband offerings provide solutions where traditional broadband providers cannot deliver vital communications to a home, community or business. The Group mainly uses satellite and fixed wireless broadband technologies to connect users who are either unserved or underserved in existing and target markets.

The Group provides a wide variety of packages to customers starting from £9.99 a month and is independent of all providers therefore offering customers impartial advice. We currently have c.100k customers in 31 countries, with the largest markets being the United Kingdom and Australia.

The Group uses its proprietary cloud-based software platform "Pathfinder" to provide a better customer experience and to reduce the costs of managing and supporting the customer bases in all countries.

Support from existing and new shareholders, together with the support from BGF and HSBC, our principal lenders, mean the Group is able to pursue its organic growth strategy and grow recurring revenues as well as its acquisition strategy. There continues to be an opportunity to pursue the acquisition plan throughout the fragmented European satellite and fixed wireless broadband markets and further afield.

Working closely with satellite owners and operators, the Group targets customers in the 'digital divide' with solutions that deliver up to 40 Mbps satellite based broadband services or fixed wireless to almost any premises, whether residential, commercial or industrial across Europe and Australia, irrespective of location or local infrastructure.

The Group is focused on:

- Continued organic growth and market share gains in key territories
- Being the only broadband operator delivering a seamless last-mile service across Europe in multiple markets
- Being the consumer's champion with a variety of solutions and pricing plans
- Delivering high levels of customer retention and service
- Being technology agnostic, offering multiple solutions including Satellite and Wireless to customers
- Acquiring strategically valuable companies or assets across Europe and Australia
- Producing strong cash generation, generating value for shareholders

STRATEGIC REPORT

Chairman's Statement

The business continues to grow strongly with LFL revenue growth up 12.7%

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

2017 has been a significant year for the Group. Customer numbers have increased to over 100k and we have successfully shown that in addition to growing the Group organically, we can consolidate our industry; identifying, negotiating, acquiring and integrating new companies into the Group. During the year under review a significant amount of effort has gone into improving internal operations culminating in the appointment of a new Chief Operating Officer in January 2018. This focus on improving banking, communications and customer relations will enable further revenue and operating margin enhancements to be generated from the growing customer base.

During the year, we successfully generated strong growth in our core markets, with a 12.7% increase in like for like revenues in the year (2016: 11.7%). In addition, we raised approximately £8m of equity from existing and new investors and drew down approximately £4.5m from a Revolving Credit Facility with HSBC. These facilities were utilised to fund seven acquisitions (three in the UK, three in Norway and one in Australia), to repay historic Norwegian Debt and also for working capital and investment opportunities.

The acquisitions of ASDN (Norway), NextNet (Norway), BorderNet (Australia). Quickline (UK), Clannet (UK), BeyonDSL (UK) and Eidsiva (Norway) in 2017 strengthened our position in core territories. Importantly following the end of the Transitional Services Agreement with Avonline after 12 months, all customers have been successfully transferred onto our Pathfinder Platform, which is the customized platform for sales processing, support, billing and reporting, being rolled out across all entities in the Group.

The progressive Australian Government has invested significantly in satellite technology, helping its large number of remotely based citizens and creating a climate of tremendous opportunity for satellite broadband in general and for SSWG in particular. The Skymesh and Bordernet acquisitions have presented us with an excellent opportunity to take advantage of a vibrant marketplace, including the possibility of further acquisitions, and I believe Australia will continue to be a key market in the future.

Raising new equity and debt capital has been key to the Group's success and growth in 2017 and I would like to thank both our existing and new shareholders for their support.

The recently signed hybrid agreement with the Joint Venture (JV) between Viasat Inc and Eutelsat Communications will provide an excellent opportunity for organic growth in low filled beam areas. Specifically, we have launched hybrid operations in Norway, Poland Sweden and Finland and more recently we have also expanded the relationship into Spain. In its first step toward building a retail consumer broadband business across Europe, the JV has selected the Group to assist with localised retail services and subscriber management. Specifically, the Group will provide in-language/in-market sales, installation, billing, customer care and logistics services. The JV will provide marketing support, satellite network capacity and customer premise equipment, among other ancillary requirements supplying the customer population. We look forward to working with the JV in 2018 and beyond in growing the business organically.

As stated last year, I am a strong believer that good corporate governance supports a Group's long-term success. This is even more important for 2018 and beyond, given the speed of our growth, the increased amounts of capital raised and the geographic spread and size of our business. The structures, advisers and committees we have in place for establishing and articulating the Board's strategy and monitoring the performance of the Company's management continue to evolve. At the start of the Financial Year we changed our Nomad and Broker to Numis, one of the UK's leading independent institutional stockbrokers and corporate advisors and once again this supports the journey we are on.

In February 2017, Rodger Sargent left the board as a non-executive director and we wish Rodger well in his future in the knowledge he will remain a vocal supporter of the Company going forward. Stephen Morana joined in February 2017 and has brought considerable experience to the Company from working at Betfair, Zoopla and boohoo.com. Stephen will be instrumental as the Company continues its rise through to higher market capitalisations. In addition, we welcome Fiona Gibson from BGF to the Board in an observer capacity.

Part of our governance regime is our continued regular communication with shareholders as our strategy continues to progress. To this end, we have embarked on an inclusive investor relations programme in 2018 and welcome all shareholders to the Group's AGM at 1pm on 23rd May 2018, which will be held at the offices of Shepherd and Webberburn LLP, Condor House, 10 St. Paul's Churchyard, London EC4M 8AL. My colleagues and I look forward to welcoming you there.

Finally, I would like to thank Andrew Walwyn, his management team and all the staff in the Group for their efforts in 2017. Everyone played their part in a demanding yet successful year in the Group's life. I, and the rest of the Board, are looking forward to the remainder of 2018 with confidence.

Michael Tobin OBE
Chairman
23 March 2018

"We continue to acquire other strong and synergistic businesses. We've now bought and integrated 18 companies in 7 countries in two and a half years."

Chief Executive Report

Since listing the Company on AIM in May 2015, the business has established itself as the largest satellite broadband provider in Europe and the fourth largest in the world. I am pleased to report another period of continued growth and operational improvements across the Group. 2017 has been the first opportunity to demonstrate the benefits of our acquisition strategy implemented during 2016. In particular, the results from Avonline, Breiband and Skymesh are included for a full twelve months within the Group's performance for the first time.

There are few days when the poor state of rural or 'last mile' broadband is not in the headlines or debated at the highest levels of government. At the same time, demand for digital consumption, social media, cloud computing, streaming of music and film and communications continues to grow, giving the Group a real opportunity of demand to satisfy.

Government funding and support, which was key to our decision to acquire Skymesh and Bordernet in Australia in 2016 and 2017 respectively, continues to be important. Different countries around Europe are at various stages of resolving the problem of rural broadband via subsidy. Importantly, the UK system is improving, and we hope this will support UK growth in the future, as our acquisition of Avonline and Quickline gives us a leading position within the market to support the Government's plans.

We continue to progress our strategy of consolidation within Europe and Australasia. We have created a 'template' system for analysis, structuring and negotiating deals that has proved very successful thus far. I am pleased with how the acquisitions have been integrated; different cultures, languages, currencies, systems, personnel and logistics across over 31 countries take a great deal of co-ordination and the team has risen to this challenge. We are seeing real benefits of being a bigger Group, through enhanced negotiating power with our suppliers, to better, higher margin services being offered to customers.

Revenue increased significantly by 104% to £43.9m (2016: £21.5m) and adjusted EBITDA in the year was £4.7m, compared to £1.2m in 2016, demonstrating the progress made and the Group's ambitious growth strategy. It is very pleasing to note that these results are not just driven by acquisition; like for like revenue growth was 12.7% through the year. Customer numbers increased by 27% to c.100k at the end of 2017 (2016: 79k). Customer yield (selling prices and volumes analysis combined with costs of servicing) will be an important measure for the group in 2018 and beyond.

Reflecting the increasing strength of our business and improving financial performance, we secured a £5m revolving credit facility in March 2017 from HSBC. This facility has been and will be used to fund smaller acquisitions, ongoing working capital and investment across the group.

During the year we acquired BorderNET Internet Pty Ltd ('BorderNET') in Australia and the customer bases of NextNet and AS Distriktsnett ('ASDN') in Norway in March 2017 for an aggregate consideration of £1.9m, adding a total of c.5.5k new customers. This also, more importantly, demonstrated our ability to successfully integrate acquisitions to build scale in local markets. All three deals saw local management teams heavily involved in the sourcing and execution of these transactions and they are all performing in-line with expectations.

Following a £8m equity fundraise in August 2017, we acquired Quickline Communications Limited ('Quickline') for an initial consideration of £5m. Quickline is a leading provider of fixed wireless broadband in the UK. Given that we had no fixed wireless presence in the UK, Quickline gave us the ability to tailor broadband solutions using both satellite and fixed wireless to fit customer needs, increasing our addressable markets size.

Quickline has been actively working with Broadband Delivery UK ('BDUK'), a government backed scheme designed to support the roll-out of high speed broadband in areas of the UK which are not eligible for mainstream fibre or network connections.

In November 2017, we acquired BeyonDSL and Clannet Broadband in the UK and Eidsiva Breiband in Norway for aggregate consideration of £1.7m. The three acquisitions delivered over 4k new customers and all three were mainly handled by local management with support from Group resources in Bicester.

Acquired businesses in 2017 contributed c14k customers, Revenue of £2.5m and an EBITDA contribution of £0.5m.

Another significant strategic initiative towards the end of 2017 was the sales and marketing agreement signed in December 2017 with the European broadband joint venture company established between Viasat, Inc. and Eutelsat Communications (the "JV") to deliver new superfast satellite broadband services to retail customers. The JV selected the Group as its retail, distribution and logistics arm for a number of territories in Europe.

The wider purpose of the Agreement is to accelerate sales on Europe's largest broadband satellite, Ka Sat, with a view to the JV and SSWG using this as a springboard into the next generation of satellite services with the arrival of ViaSat-3 EMEA in 2020.

The agreement will see super-fast residential satellite broadband services with improved data allowances offered for the first time in Europe, Poland, Norway, Sweden, Finland and Spain. Although the Group already has an existing subscriber base in some of these countries, all new subscribers going forward in these countries will be acquired under the agreement, with significantly reduced customer acquisition costs for the Group and enhanced marketing campaigns to drive sales growth.

The Group will provide sales, installation, billing, customer care and logistics services with the JV providing marketing support, funding the cost of hardware and providing satellite network capacity. The Group will bear none of the usual marketing or customer acquisition costs but will recognise all revenues and an agreed gross margin generated under the agreement. SSWG will invest to provide additional resources in each country in anticipation of an increase in customer numbers and sales.

The key theme of 2017 has been consolidating existing acquisitions, integrating systems and creating efficiencies from our increasing customer base. This work will continue and I am pleased with the progress that has been made to date in these vital areas. A good example is Pathfinder, our Enterprise Resource Planning solution, which integrates CRM, billing and finance systems. It is currently being upgraded and rolled out across the Group's hubs, with Australia and Norway integration targeted summer 2018 following the integration of Avonline and work on the JV as mentioned above.

Operational Review

We have delivered strong growth in customer numbers over the year to 30 November 2017, with organic growth of c7k customers and c14k on acquisitions, giving a total increase of c21k, a 27% increase on the base.

The customer base is currently split 39% Australia, 29% UK, 16% Norway, 12% France and 4% Rest of the World (2016: 37% Australia, 28% UK, 16% Norway, 15% France and 4% Rest of the World) reflecting the global ambition and revenue diversification of the Group this year. We have extended our network agreements to ensure provision of coverage to customers whom we currently serve across 31 countries.

We are actively deriving economies of scale across our business and cost synergies from our enlarged base, as shown by the agreement with the JV where with established operations we are able to provide support to the JV through incremental costs, primarily headcount, to make the project more attractive and the VNO deal with SES where our enlarged operating footprint allows us to enter these partnering arrangements. We have rolled out the 'hub' concept across the Group where local hubs will have dedicated sales, marketing and technical operations, whilst centralised finance and operational matters are run from Bicester HQ. We will continue to look at how best to serve our customers across the Group in the most direct and effective manner.

As outlined previously, we have continued to invest in our CRM, billing, customer user interface, and financial systems to allow the most efficient and effective handling of customers and improved control via central consolidation of the finance and administration functions. This investment in systems will continue in 2018, as it is key to have robust, scalable platforms to cope with our rate of growth.

Strategy and Key Performance Indicators ('KPIs')

The Group's product set is centred on meeting the increasing demand for broadband in remote locations and the peripheries of large urban centers, which are not served by fibre or alternative solutions. We have continued to invest in our proprietary technology platform, and work with our satellite partners and distributors to give the best customer support, whilst maximising sustainable long-term margin and cash generation. A more detailed analysis is in the Financial Report.

The board monitors and evaluates KPI's which have a direct impact on our ability to generate significant shareholder value and these are spelt out in more detail in the Financial Review on pages 13 and 14.

We will continue to update the market with a half yearly KPI report to provide continued guidance of progress. In addition, we are planning to launch several new products in 2018, using existing technology, to bring a wider range of complementary solutions to customers. We believe this will generate new revenue streams from our existing, and potential, customer base as well as help reduce churn.

Acquisitions

Details of acquisitions made during the year are outlined on page 5 and 6.

As has been mentioned elsewhere, the acquisitions of BorderNET in Australia, the customer base of NextNet and ASDN in Norway, followed by Quickline in the UK and finally in November 2017, the acquisition of BeyonDSL and Clannet Broadband in the UK and Eidsiva Breiband in Norway really demonstrates the depth and capabilities of local management as well as central resources from Bicester in supporting the roll up across the European and Australasian regions.

We believe these acquisitions provide increased strength in key markets in the UK and Australia as well as delivering accretive bolt ons. It also positions the Group well to take advantage of the tremendous growth and investment in the Australian market from the Government as well as the growth and support under the UK Government's BDUK scheme.

Our products continue to evolve quickly as we embrace the latest broadband technologies and developments in satellite architecture. Advances and improvements in our hardware continue to deliver increases in headline speeds and an enhanced user experience, both for new and existing customers.

Whilst average broadband speeds in the UK remain at only 16.3 Mb (Ofcom report 2017), our headline speeds on consumer satellite broadband services continue at up to 50 Mb available on certain European platforms (qualifying for super-fast status). Our fixed wireless broadband networks, utilising leading-edge MU-MIMO technology, continue to deliver 75 Mb services for consumers, with an upgrade path to 150 Mb by the end of 2018.

Our Research and Development team has a clear product roadmap through to delivering up to 100 Mb on satellite broadband globally, with virtually unlimited data allowances by 2020.

Post-balance sheet events

Commercial Agreement with the Viasat and European Broadband Joint Venture

In December 2017, The Group signed a sales and marketing agreement with the European broadband Joint Venture company established between Viasat, Inc. and Eutelsat Communications ("the JV"). Specifically, SSW will provide in-language/in-market sales, installation, billing, customer care and logistics services and the JV will primarily provide satellite network capacity, marketing support and customer premise equipment. The Group expects this agreement will accelerate customer growth and revenue. Since announcing this agreement, the service has already gone live across Poland, Norway, Sweden, Finland and launched in Spain in February 2018.

Appointment of COO

In order to effectively manage the significant International growth opportunity, the Company has appointed Mark Anderson as Chief Operating Officer ("COO"). Prior to joining SSW, Mark worked for FOX Networks Group ("FOX"), part of the 21st Century Fox media company, and was directly responsible for managing activities across Europe and Africa with $300m of revenue and 11 TV channels. Prior to this Mark was a director of Sky Broadband and was responsible for growing their consumer broadband business to 750,000 customers in Ireland.

Outlook

The successful integration of the seven earnings enhancing acquisitions completed during 2017, combined with further strong organic growth, will ensure a material increase in EBITDA for the current financial year.

The Group is now targeting further organic customer growth of over 50% by 2020 as demand for alternative super-fast broadband services increases around the world.

Over the longer-term, further Government intervention and planned satellite launches are expected to increase the Group's addressable market as technology adoption costs reduce and available satellite speeds increase.

The Group has made a good start to 2018, with continued like-for-like revenue growth for the three months to February 2018. We are continuing to evaluate all operational aspects of our businesses, particularly in driving further improvements in gross margins and cash generation.

I anticipate continued organic growth activity in 2018, and I look forward to integration of more acquisitions into our platform to consolidate our position as the number one European and Australasian last mile broadband supplier. 2018 will be a key year as we develop SSWG into a truly world class Group. The partnership with the Joint Venture between Viasat and Eutelsat will also provide a solid route for organic growth.

Andrew Walwyn
Chief Executive Officer
23 March 2018

Financial Review

This review covers the consolidated results of Satellite Solutions Worldwide Group plc. The Group Statement of Comprehensive Income consists of 12 months of Satellite Solutions Worldwide Group plc and its subsidiary undertakings from the date of acquisition.

Company performance

In the year to 30 November 2017, Group revenues increased by 104% to £43.9m (2016: £21.5m), driven by acquisitions and an increase in like for like revenue growth of 12.7% (2016: 11.7%). Gross profit increased by 114% to £15.6m (2016: £7.3m).

Distribution and administrative expenses increased by 86% to £23.6m (2016: £12.7m) as a result of additional costs from acquired businesses combined with increased investment in relation to growing the business in the hubs within the Group. The main increases in costs were the investment in staffing following the acquisitions as well as adding further sales and support staff to gear up for the Joint Venture. In addition to that we recruited a Director of Customer Experience and we have strengthened central finance operations and IT teams.

See note 11 for details of investment activity in the year.

A summary of the acquisition results is shown in note 11.

Group adjusted results

The Group reported a loss for the financial year of £7.6m, the prior year's figure was £6.0m.

Company statutory results

A reconciliation of the operating profit (before non-cash items and acquisition costs) to the statutory operating loss before taxation for the year of £8.0m (FY2016: £5.4m loss) is shown below:

	2017 £'000	**2016 £'000**
Operating Profit before non-cash items and acquisition costs*	4,671	1,237
Depreciation	(2,716)	(930)
Amortisation	(8,049)	(2,995)
Legal and Employee costs relating to M&A	(595)	(300)
Share based payments	(353)	(316)
Acquisition costs' and fund-raising fees	(981)	(2,074)
Operating Loss	(8,023)	(5,378)

* Equates to adjusted EBITDA

Segmental analysis

	UK**	Europe ***	Australia	Total
Customers FY 17	28,574	33,052	38,614	100,240
Customers FY 16	21,776	27,507	29,434	78,717
Change Actual	6,798	5,545	9,180	21,523
Change %	31%	20%	31%	27%
Revenue FY 17	£13.9m	£14.6m	£15.4m	£43.9m
Revenue FY 16	£6.9m	£11.8m	£2.8m	£21.5m
Change Actual	£7.0m	£2.8m	£12.6m	£22.4m
Change %	101%	24%	450%	104%
Like for Like Revenue % growth	6%	3%	32%	13%
*Adjusted EBITDA FY 17	£1.1m	£3.0m	£0.6m	£4.7m
*Adjusted EBITDA FY 16	(£0.6m)	£1.7m	£0.1m	£1.2m
Change Actual	£1.7m	£1.3m	£0.5m	£3.5m
Change %	283%	76%	500%	292%
Closing Employees FY 17	74	76	62	212
Closing Employees FY 16	46	72	58	176
Change Actual	28	4	4	36
Change %	61%	6%	7%	20%

* Adjusted EBITDA represents earnings before interest, taxation, depreciation, amortisation, provisions for potential legal costs, share based payments, acquisition, fund-raising and employee related costs.

** UK includes Satellite Solutions, Avonline, Quickline and includes all head office and central costs

*** Europe includes France, Ireland, Poland and Norway.

Performance against Key Performance Indicators

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

KPI	Description	2017 performance
Customer Base **2017** 100,240 **2016** 78,717	Represents total gross organic connections plus acquisitions, less lost customers (churn) and base management since inception.	+ 27% growth
Customer Net Connects **2017** 21,523 **2016** 54,000	Represents gross organic connections plus acquisitions, less lost customers (churn) and base management in the period.	Acquisitions accounted for c14k in the current year, and c50k in 2016
Revenue **2017** £43.9m **2016** £21.5m	Revenue represents that element of billings recognised in the period, including from bases or companies acquired from their date of acquisition.	Includes seven acquisitions this year generating revenues of c£2.5m. Remainder comes from organic and acquisitions in 2016 annualised.
Organic Revenue Growth* **2017** 12.7% **2016** 11.7%	Organic revenue growth compares current and prior period revenue, treating acquired businesses as if they had been owned for the relevant period in both years.	Continued double digit growth YOY.
Gross Margin **2017** £15.6m 35% **2016** £7.3m 34%	Gross Margin represents the excess of revenues after costs of goods sold in the period including from bases or companies acquired from their date of acquisition.	Includes seven acquisitions this year generating gross margin of £1.4m. Remainder comes from organic and acquisitions in 2016 annualised.
Adjusted EBITDA** **2017** £4.7m **2016** £1.2m **EBITDA %** **2017** 10.6% **2016** 5.8%	Earnings before interest, tax, depreciation and amortisation is the measure of the Group's operating performance. It evaluates performance without factoring in financing decisions, accounting decisions or tax environments or provisions for potential legal costs, share based payments, acquisition costs and fund-raising fees.	Includes seven acquisitions this year generating EBITDA of £0.5m. Remainder comes from organic and acquisitions in 2016 annualised. In addition to the above, growth in EBITDA has improved during 2017 as a result of the acquisitions, organic growth and improving cost controls.
Operating Cash Flow **2017** £2.3m **2016** £0.6m	Operating cash flow relates to the amount of cash generated from the Group's operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non cash items	Operating cash flow improved due to increased EBITDA and working capital management.
Free Cash Flow **2017** (£2.0m) **2016** (£1.7m)	Cash generated by the Group after investment in capital expenditure and servicing debt.	Increased interest and capital expenditure in the year resulted in a decreased free cashflow year on year.
EPS **2017** (1.32p) **2016** (1.57p)	Earnings per share (EPS) is the portion of a Group's profit allocated to the weighted average of each outstanding share.	EPS improved during the year from a loss of 1.57p in 2016 to a loss of 1.32p in 2017.

* organic revenue growth compares current and prior period revenue, treating acquired businesses as if they had been owned for the relevant period in both years.

**Adjusted EBITDA represents earnings before interest, taxation, depreciation, amortisation, provisions for potential legal costs, share based payments, acquisition costs and fund-raising fees.

Operating and Free Cash Flow

The Group delivered adjusted EBITDA in the year of £4.7m (2016: £1.2m). Operating cash flow including M&A related costs and working capital movements was £2.3m inflow (2016: £0.6m inflow), which represents a conversion of 48% (2016: 52%) of adjusted EBITDA.

Interest paid in the period amounted to £1.4m (2016: £0.6m) and capital expenditure was £2.8m (2016: £1.5m). The Group received approximately £7.5m from the issue of shares (2016: £12.1m) and other bank support of £4.5m (2016: £12.0m) which enabled it to invest in further acquisitions as set out more fully in Note 11. At 30 November 2017, the Group had cash in the bank of £3.5m (2016: £3.3m).

	Year ended 30 November 2017	**Year ended 30 November 2016**
	£000	**£000**
Operating Loss from Continuing Operations	(8,023)	(5,378)
Add back: non-cash items and M&A related costs	12,694	6,615
Adjusted EBITDA	4,671	1,237
M&A related costs	(1,576)	(2,374)
Other cash flow items including working capital and foreign exchange variances	(830)	1,777
Operating Cash Flow	2,265	640
Interest paid	(1,406)	(819)
Capital expenditure	(2,826)	(1,481)
Free Cash Flow	(1,967)	(1,660)

Net Debt and Cash

Net debt as at 30 November 2017 was £13.1m. This compares with £10.2m net debt as at the previous year-end, the principal reason for the increase of £2.9m being the HSBC Revolving Credit Facility debt taken to fund acquisitions and working capital.

	2017	**2016**
Opening Net (Debt)/Cash	(£10.2m)	£1.7m
Facilities Received	(£4.5m)	(£12.0m)
Facilities Repaid	£1.4m	-
Other Bank Debt	-	(£1.5m)
Movement in Cash	£0.2m	£1.6m
Movement in Net Debt	(£2.9m)	(£11.9m)
Closing Net Debt	**(£13.1m)**	**(£10.2m)**

Applying our bank's adjusted measure of financial leverage, the Group's year-end net debt to EBITDA ratio was 2.78x, reducing from 8.5x at the previous year-end.

	2017	**2016**
Net cash and cash equivalents	£3.5m	£3.3m
Bank loans	(£4.5m)	-
BGF loan	(£11.7m)	(£12.0m)
Other loans / Finance Leases	(£0.4m)	(£1.5m)
Net Debt	(£13.1m)	(£10.2m)
Adjusted Net Debt / EBITDA	**2.78x**	**8.5x**
BGF Debt	(£12.1m)	(£12.0m)
Other Bank Debt	-	(£1.5m)
Revolving Credit Facility	(£4.5m)	-
Cash and cash equivalents	£3.5m	£3.3m
Total Net Debt	(£13.1m)	(£10.2m)

Taxation

The reported tax credit in the year was £2,451k (2016: £161k credit) against a reported pre-tax loss of £10.1m (2016: £6.2m). The underlying effective tax rate measured against adjusted profit before tax is 19% (2016: 20%).

Earnings per share

Basic earnings per share from continuing operations was a loss of 1.32p in the year, compared with a loss in 2016 of 1.57p. Adjusted earnings per share (i.e. before amortisation of intangibles, share based payments and exceptional items) moved from a loss of 0.09p last year to a profit of 0.41p this year.

	2017	2016
Basic earnings per share from continuing operations	**(1.32p)**	(1.57p)
Basic adjusted earnings per share from continuing operations	**0.41p**	(0.09p)

Accounting standards

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

Funding and going concern

In March 2017, the Group entered into a revolving credit facility with HSBC. This facility was used, in part, to fund the acquisitions of NextNet and ASDN in Norway and BorderNET in Australia, as well as to replace the more expensive Nordea debt. The consolidated financial statements for the Group have been prepared on a going-concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Statement, the Strategic Review and this Financial Review.

Having reviewed the Group's budgets, projections and funding requirements, and taking account of reasonable possible changes in trading performance, the Directors believe they have reasonable grounds for stating that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors are of the view that the Group is well placed to manage its business risks. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Dividend

At this stage given the investment opportunities being considered, the directors do not recommend the payment of a dividend (2016: Nil)

On behalf of The Board

Frank Waters
Chief Financial Officer
23 March 2018

Principal Risks and Uncertainties

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

Dependence on satellite owners and satellite infrastructure

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

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

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

Overbuild by fibre in areas where the Group has presence

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

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

Planning permission either delayed or not granted

Risk: Planning permission is required for deployment of mast to extend wireless networks. If this is not granted for the optimal sites this would limit the numbers of premises passed and hence revenue growth.

Mitigation: Quickline has been granted Code powers under the Communications Act 2003.

Mobile masts are deployed whilst the planning process proceeds in order not to delay network build.

Competition from 5G technologies

Risk: Higher speeds will be available from network operators over the next 5 years thereby providing competition to ISPs and limiting revenue growth.

Mitigation: Rural areas often have poor mobile coverage. There is also a lack of available spectrum. All current mobile offerings are for limited data which makes key offerings such as Video on Demand unviable.

The Group strategy will be to monitor this potential threat and focus on areas where 5G competition will be weakest.

Key contract terms

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

Mitigation: The Board work closely with satellite owners as partners to develop short, medium and longer-term sales plans, target opportunities and markets. This is especially so with the recent agreement signed with the European Joint Venture.

Supply failure

Risk: Whilst the Group intends to manage equipment supply by holding adequate inventory levels, delay in delivery of equipment to the Group or delivery of faulty equipment to the Group could have an adverse effect on the performance of the business.

Mitigation: Regular meetings are held with equipment manufacturers to mitigate the risk of stock outs. In Australia, NBNCO supports customer equipment. Under the Joint Venture Agreement, the Joint Venture supports customer equipment via the Group.

Lack of spare capacity within satellite fleets

Risk: Currently there is significant spare capacity within the satellite fleets for a much larger number of customers, while competition between satellite owners serves to keep the wholesale cost of the capacity in proportion to (albeit typically still more expensive than) a fibre broadband offering. However, the nature of satellite broadband coverage means that whilst there is excess capacity overall, in specific locations certain satellites can have very limited availability if their capacity is already full or in the peripheral areas of satellite coverage.

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

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

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

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

Government policy and increased investment in fibre roll-out

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

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

Competition from existing/emerging alternative technologies

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

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

Competition for acquisition opportunities

Risk: There may be competition from others interested in some or all of the acquisition opportunities that the Group may explore. Although the Group believes that it is well placed to compete for opportunities, there can be no certainty that it will be successful against such competition. This is a risk for both the acquisition opportunity as well as potential price paid.

Mitigation: If the Board considers the price of an acquisition opportunity to fall beyond its strict criteria the transaction will not complete.

The roll-up strategy

Risk: The Group believes there is an opportunity to continue the economic acquisition of customers in key market hubs as well as accretive bolt ons in existing markets. However, there can be no guarantee the Group will be able to agree terms with potential sellers of assets, or that, if terms are agreed, that the new customer base can be retained and integrated into the Group's operations. A failure to successfully implement the roll-up strategy in whole or in part will have an adverse effect on the Group's ability to grow customer numbers and therefore on the Group's financial condition and results.

The Group intends to conduct appropriate due diligence in respect of its acquisition targets and to identify any material issues that may affect the decision to proceed with the purchase. During the due diligence process the Group is only able to rely on the information that is available to it. That information may not be accurate or remain accurate during the due diligence process. More broadly, there can be no guarantee that due diligence undertaken will be adequate or reveal all relevant facts or uncover all significant liabilities. If due diligence fails to identify key information, or if the Group considers such material risks to be commercially acceptable, the Group may be forced to write-down or write-off assets of the target acquired. This may have a material adverse effect on the Group's business, financial condition or results of operations. In addition, following an acquisition, the Group may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence and which could have a material adverse effect on the Group's financial condition and results of operations, especially if the due diligence is required to be undertaken in a short timeframe or in a competitive situation.

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

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

System reliance

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

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

Growth strategy

Risk: The Group faces risks frequently encountered by early stage companies. In particular, its future growth and prospects will depend on the ability to manage growth and improve operational, financial and management information, quality control systems and maintain effective cost controls. Any failure of these variables could have a material adverse effect on the Group's business, financial condition and results of operations.

Mitigation: This continues as a risk and is monitored regularly by the Board.

Dependence on key executives

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

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

Capital expenditure requirements

Risk: Where the Group operate or sell wireless solutions there may be either capital spend requirements or maintenance issues and costs, resulting in additional cash requirements.

Mitigation: Capital expenditure requirements are reviewed regularly as part of the budgeting process. Maintenance is carried out as appropriate in Norway, where most of the Group's wireless assets are currently located.

Fraud, including cyber attacks

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

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

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

Future funding

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

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

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

Taxation risk

Risk: Any change in the Group's tax status (including its EIS and/or VCT status) or the tax applicable to holding Ordinary Shares, or in taxation legislation or its interpretation, could affect the value of the investments held by the Group and affect the Group's ability to provide returns to shareholders. Notes in this document concerning the taxation of the Group and its investors are based upon tax law and practice at the date of this document, which is subject to change.

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

Force majeure

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

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

General economic conditions

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

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

Brexit

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

Mitigation: A significant part of the business will come from outside the EU and the systems are developed in such a way to provide maximum flexibility in billings and collections.

The Strategic Report was approved by the Board of Directors on 23 March 2018 and was signed on its behalf by:

Andrew Walwyn
Chief Executive Officer

GOVERNANCE

Director's Report

The Directors present their report together with the audited financial statements for the year ended 30 November 2017.

Results and dividends

The consolidated statement of comprehensive income for the year is set out on page 45. No dividend has been declared or is proposed for the year (2016: Nil).

Directors and their interests

The Directors who served during the year are set out below, together with their beneficial interests in the ordinary shares of the Company. Biographical details are included on pages 23-25.

		2017		2016	
	Appointed	Ordinary shares of 1p each	Share options	Ordinary shares of 1p each	Share options
Michael Tobin	29 Sept 2015	1,702,667	3,400,000	1,373,667	2,000,000
Andrew Walwyn	12 May 2015	49,526,572	5,000,000	49,384,572	3,500,000
Frank Waters	12 May 2015	4,297,351	7,646,754	4,155,351	6,347,453
Simon Clifton	29 Sept 2016	33,990,450	1,500,000	33,848,450	-
Paul Howard	29 Sept 2015	2,108,667	2,000,000	1,966,667	1,000,000
Stephen Morana	10 Feb 2017	2,834,000	2,000,000	-	-
Rodger Sargent*	17 Sept 2015	9,487,668	2,000,000	9,487,668	1,000,000
Total		103,947,375	23,546,754	100,216,375	13,847,453

** R. Sargent resigned 10 February 2017*

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

	EMI Share options	Exercise price (pence)	Remaining share options	Remaining exercise price (pence)
Michael Tobin	-	-	2,000,000	5.25
Michael Tobin	-	-	1,400,000	7.63
Andrew Walwyn	3,500,000	5.25	-	-
Andrew Walwyn	779,132	7.63	720,868	7.63
Frank Waters	2,846,754	1.9759	-	-
Frank Waters	3,409,090	5.25	1,296,750	7.63
Frank Waters	-	-	90,910	5.25
Frank Waters	3,250	7.63	-	-
Simon Clifton	1,500,000	7.63	-	-
Paul Howard	-	-	1,000,000	7.63
Paul Howard	-	-	1,000,000	5.25
Stephen Morana	-	-	2,000,000	8.75
Rodger Sargent*	-	-	1,000,000	7.63
Rodger Sargent*	-	-	1,000,000	5.25
Total	12,038,226		11,508,528	

There are a number of performance conditions as well as time restrictions relating to the financial year ended 30 November 2017 attached to these options. No options were exercised, lapsed or forfeited during the year.

Directors' Remuneration

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

	Year ended 30 November 2017				Year ended 30 November 2016
	Salary/fees £'000	**Bonus £'000**	**BIK £'000**	**Total emoluments £'000**	**Total emoluments £'000**
Current Directors:					
Michael Tobin (Non-Executive Director and Chairman)	60	-	-	60	50
Andrew Walwyn (Chief Executive Officer)	200	100	27	327	233
Frank Waters (Chief Financial Officer)	165	82	17	264	198
Simon Clifton (Chief Technology Officer)	160	40	17	217	66
Paul Howard (Non-Executive Director)	40	-	-	40	30
Stephen Morana (Non-Executive Director)	32	-	-	32	-
Past Directors:					
Rodger Sargent (Non-Executive Director)	-	-	-	-	30
	657	222	61	940	607

Employers pension contributions paid during the year amounted to £7k (2016: £nil).

Service Contracts

The Chief Executive Officer, Chief Financial Officer and Chief Technology Officer have entered into service contracts with the Company that are terminable by either party on not less than 6 months prior notice. The non-executive Directors have entered into service contracts with the Company that are terminable by either party on not less than 3 months prior notice.

Pensions and Private Healthcare

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

Substantial shareholdings

As at 30 November 2017 the Company was aware of the following interests in 3% or more of its issued voting share capital:

Shareholder	% holding	No. of shares
Harwood Capital LLP	17.06	116,440,060
BGF	7.35	50,166,666
Mr Andrew Walwyn	7.26	49,526,572
Herald Investment Management Ltd	6.79	46,366,666
Mr Simon Clifton	4.98	33,990,450
Mr Steven Jagger and Mrs Rachel Jagger	4.18	28,571,428
Hargreave Hale Ltd	3.44	23,500,000
BMO Global Asset Management	3.13	21,400,000

Employee involvement

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

Financial risk management objectives and policies

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

Going concern

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

Directors' indemnity and insurance

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

Board of Directors

Michael Tobin: Non-Executive Chairman

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

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

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

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

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

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

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

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

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

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

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

Paul Howard: Non-Executive Director

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

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

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

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

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

Stephen Morana: Non-Executive Director

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

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

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

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

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

Andrew Walwyn: Chief Executive Officer

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

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

Independence: Executive – non independent.

External appointments: None.

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

In 2008, Andrew co-founded Satellite Solutions Worldwide Limited having identified the gap in the market for satellite broadband.

Frank Waters: Chief Financial Officer

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

Committee memberships: None.

Independence: Executive – non independent.

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

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

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

Frank joined Satellite Solutions Worldwide Limited in the autumn of 2013 and, as Chief Financial Officer, is responsible for finance, commercial, legal, regulatory, logistics, operational and M&A matters.

Simon Clifton: Chief Technology Officer

Date of appointment:
Simon joined the Board in September 2016 following the fundraise and acquisitions in summer 2016.

Committee memberships:
None.

Independence: Executive – non independent.

External appointments:
None.

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

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

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

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

Statement of Directors' Responsibilities

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the group had complied with IFRS, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

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

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

On behalf of the Board

Andrew Walwyn
Chief Executive Officer
23 March 2018

Corporate Governance Statement

Dear Shareholder,

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

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

Michael Tobin OBE
23 March 2018

UK corporate governance code

This report, which is available on the Company's website, explains the key features of the Group's governance structure to provide a greater understanding of how the main principles of the UK Corporate Governance Code ("Code"), published in June 2016 by the Financial Reporting Council ("FRC"), have been applied and to highlight areas of focus during the period. The Code can be found on the FRC's website at www.frc.org.uk.

The Company achieved a listing on the London Stock Exchange Alternative Investment Market on 12 May 2015. In the months prior to listing work was done by the Company to ensure it had appropriate governance structures and policies in place so as to comply with the Code before the Company's shares were admitted to trading. These have continued to be developed by the Company'. Accordingly, the corporate governance statement and the reports of the Audit and Risk, Nomination and Remuneration Committees explain how the provisions and principles of the FCA Listing Rules, Disclosure and Transparency Rules and the Code have been applied in the period from last year end to 30 November 2017.

Compliance with the code

In the period from listing to 30 November 2017 the Company complied with all the principles and provisions of the Code, except as set out below:

Code provision B.1.2 recommends that at least half the Board of Directors of a UK-listed company, excluding the Chairman, should comprise Non-Executive Directors determined by the Board to be independent. The Board considers that the Company does not comply with the requirements of the Code in this respect, however the Company intends to move towards compliance with this requirement within a reasonable period of time. In furtherance of this goal, the Board recently commenced a process to identify and recruit one or more potential candidates to serve as Non-Executive Directors. The Board currently expects to have at least one new Independent Non-Executive Director appointed to the Board in the reasonably short term; although, there can be no assurance that suitable candidates will be identified, that they will accept the appointment, or that the appointment can be completed within the Board's desired timeline.

The Directors who are not considered independent are:

- Michael Tobin OBE – in accordance with the Code the test of independence is not appropriate for a Chairman following their appointment.
- Andrew Walwyn, Frank Waters and Simon Clifton – due to the executive nature of their roles they are not considered to be independent.

The Board and its committees

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

Role of the Board and management

Role of Chairman and Chief Executive Officer

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

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

Board processes

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

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

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

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

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

Role and Responsibilities of the Board

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

From time to time the Board may delegate or entrust to any Director holding executive office (including the CEO) such of its powers, authorities and discretions for such time and on such terms as it thinks fit. During 2016, the Board adopted a "Delegation of Board authority" which establishes those matters which it is considered appropriate remain within the overall control of the Board (or its committees) and those which are delegated to the CEO (or onwards as appropriate). In addition to overall Group strategy, the Board approves the annual budget and retains control over corporate activity (mergers, acquisitions, joint ventures, material disposals and investments) and material contract and financing decisions (over and above set value/credit-risk limits).

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

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

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

Board focus during the year

- Strategy: During FY17, the Board worked with management to identify and anticipate industry trends to ensure that the Group's strategy is designed to address these trends as well as other industry dynamics, such as the competitive landscape. The Board also considered and approved a number of acquisition opportunities to advance the Group's strategy the largest of which was in Fixed Wireless. During FY17, the Board approved seven acquisitions. The Board also reviewed relationships with the Groups main partners and suppliers including the Joint Venture.
- Financials: During FY17, the Board reviewed the Group's operating results and financial statements with management and the Group's external auditors. The Board also reviewed and approved the Budget and operating plan for the financial year.
- Fundraising: During FY17, the Board worked with management to identify and source appropriate funding options to pursue the roll up strategy. The Board were delighted with the support from HSBC, BGF as well as new and existing shareholders throughout the summer of 2017.
- Governance: As noted above, the Board continued to review its governance structure in FY17. As a result of this review, the Board considered and noted its compliance with the requirements applicable to a publicly listed Group, including the Code. In addition, the control environment was improved with the recruitment of additional financial and M&A resources.
- Business performance: In FY17, the Board received and reviewed reports from management on the performance of the Group's business. The Board engaged in discussions with management on various aspects of business performance, Key Performance Indicators, including business drivers, industry trends, risks, opportunities and the competitive landscape.

Board committees

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

The various committee reports can be found on pages 32 to 41 and each committee's full terms of reference are available on our website.

Table of Attendance

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

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

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

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

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

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

Board Composition, Qualification and Experience

The Board currently comprises six Directors. The number and/or composition may be changed where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.

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

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

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

- a majority of the Board should be non-executive Directors. Currently there are 3 non-executive Directors and from September 2016 3 executive Directors. BGF have the right to appoint a further non-executive Director.
- the role of Chairman is to be filled by a non-executive Director,
- the Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities,
- Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter one third of Directors are subject to retire by rotation each year.

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

Key Board Roles

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

Interaction between the Chairman, Chief-Executive and Non – Executive Directors

The division of responsibilities between the Chairman, Chief Executive Officer and Non-Executive Directors is set out in writing in their contracts and agreed by the Board.

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

Non-Executive Director Independence

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

The Board considers its Independent Non-Executive Directors bring strong judgement and considerable knowledge and experience to the Board's deliberations. The Code requires a Company to state its reasons if it determines that a Director is independent in certain circumstances, including where a Director holds cross-directorships or participates in the Company's share option plans.

As noted in the Annual Report on Remuneration on page 50, Michael Tobin OBE and Paul Howard all participate in the Company's share option plan. Notwithstanding this, the Board considers Michael and Paul to be independent in character and judgement. This is evidenced by the valuable contributions they make at Board and Committee meetings, and in particular, the knowledge and experience they bring to the roles as Chairman, Non-Executive Directors and Committee members.

Appointment and Tenure

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

Executive Directors serve on the basis of service agreements which are also available for inspection upon request. Further details on the Executive Directors' service agreements are included in the Annual Report on Remuneration, on page 48.

Director Training

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

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

Information and Support Available to Directors

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

Director Election

Following recommendations from the Nomination Committee, taking into account the results of the Board's performance evaluation process, the Board considers that all Directors continue to be effective, committed to their roles and have sufficient time available to perform their duties. In accordance with the Company's Articles of Association and provision B.7.1 of the Code for Directors, one third of Directors are to retire by rotation excluding those appointed during the year and seek re-election at the Company's AGM in 2017 as set out in the Notice of AGM.

Directors' Conflicts of Interest

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

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

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

Independent professional advice and access to Company information

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

Board Evaluation and Effectiveness

The Board and its Committees were formed upon listing in May 2015 and in November 2016 an internal evaluation commenced as a result of the Group's continued growth in size and complexity resulting in the appointment Stephen Morana in February 2017.

Shareholder engagement

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

Annual General Meeting

The Company's Annual General Meeting ("AGM") will take place at Shepherd and Wedderburn LLP, Condor House, 10 St. Paul's Churchyard, London, EC4M 8AL. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM. The notice of the AGM can be found on our website and in a notice, which is being mailed out at the same time as this Report. The Notice of AGM sets out the business of the meeting and an explanatory note on all proposed resolutions. Separate resolutions are proposed in respect of each substantive issue. The AGM is the Company's principal forum for communication with private shareholders.

Risk management and internal controls

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

Independent auditor and audit information

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

haysmacintyre have expressed their willingness to continue as the Group's auditor. As outlined in the Audit and Risk Committee report on page 46, resolutions proposing their reappointment and to authorise the Audit and Risk Committee to determine their remuneration will be proposed at the next AGM.

On behalf of the Board

Ben Harber
Company Secretary
23 March 2018

Nomination Committee Report

The role of the Nomination Committee is documented in its terms of reference which were reviewed and adopted by the Board of Directors in May 2016. The Nomination Committee is chaired by Michael Tobin OBE, and its other member is Stephen Morana, who joined on 10 February 2017, who is also a Non-Executive Director.

Role and responsibilities

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

Meetings during the year

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

Process for Board appointments

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

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

When the Company decides to appoint an Executive Director:

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

Michael Tobin OBE
Nomination Committee Chairman
23 March 2018

Audit Committee Report

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

Membership of the Committee

The Committee was chaired by Stephen Morana with Michael Tobin OBE and Paul Howard being the other members of the Committee. All members and the Chair are Independent Non-Executive Directors. All of the members of the Committee have extensive experience of the technology industry as well as financial procedures and controls. During the year ended 30 November 2017, the Committee met three times. The table on page 28 summarises the attendance of members at committee meetings:

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

Roles and activities

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

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

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

During the year-ended 30 November 2017 the Committee:

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

Significant issues

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

Revenue recognition

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

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

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

Goodwill and intangibles carrying value

At 30 November 2017, the Group had on its balance sheet goodwill of £21m (2016: £14.7m) and other intangibles of £9.2m (2016: £12.6m) that has primarily arisen as a consequence of acquisitions. Management perform impairment reviews annually, or more frequently if there is an indication of impairment, based on the Group's hub's. The cash flow forecasts used for each hub are based on the latest Board approved budgets.

Management prepare an accounting paper for review by the Committee that details the methodology applied, key assumptions used and the impact of sensitivity analysis.

Having considered the impairment reviews performed, the Committee is satisfied that the carrying value of goodwill and intangibles at 30 November 2017 is appropriate.

Internal controls and risk environment

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

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

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

Key elements of the control environment are:

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

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

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

How we manage risk

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

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

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

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

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

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

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

Whistle-blowing and anti-bribery

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

External Auditor

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

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

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

During the year-ended 30 November 2017, the non-audit services provided by haysmacintyre primarily related to tax compliance activities and a review of the half year reporting. Full details of auditor's remuneration is shown in note 4 to the Financial Statements.

Review of effectiveness of External Auditors

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

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

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

Stephen Morana
Chairman of the Audit Committee
23 March 2018

Annual statement of the remuneration committee chairman

As Chairman of Satellite Solutions Remuneration Committee, I am pleased to present the Board Directors' Remuneration Report for the year ended 30 November 2017, which has been prepared by the Committee and approved by the Board. In line with the UK reporting regulations, this report is divided into three sections:

- The Annual Statement by the Remuneration Committee Chairman;
- The Directors' Remuneration Policy, which details the Group's remuneration policies and their link to Group strategy, as well as projected pay outcomes under various performance scenarios; and
- The Annual Report on Remuneration, which focuses on our remuneration arrangements and incentive outcomes for the year under review and how the Committee intends to implement the Remuneration Policy in FY18

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

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

The remuneration package for executive Directors comprises a combination of annual salary, annual performance bonus and share options / Long Term Incentive Plans with performance criteria. Remuneration for non-executive Directors consists of an annual fee plus options. There is no additional fee for serving on Board committees and non-executive Directors are not entitled to bonuses.

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

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

Remuneration policy for FY18 and future years

Satellite Solutions Worldwide Group plc was listed on the Alternative Investments Market (AIM) in May 2015. In advance of its listing, the Remuneration Committee reviewed the Group's remuneration structure to ensure it aligns with the forward-looking strategy, is able to motivate and retain the executive team over the next key phase in the Group's development, and to ensure it takes into account market practice and best practice for a listed Group. The remuneration structure for Executive Directors, which applies from the commencement of the new financial year 1 December 2017, is set out in the Remuneration Policy below. It is the Committee's desire to introduce a Long-Term Incentive Plan for Board Members and appropriate senior executives to ensure their interests are aligned with that of the shareholders.

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

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

Remuneration decisions In FY17

The activities of the Committee and key decisions in FY17 are set out below.

Following a rebasing of salaries in September 2016 reflecting the performance of the enlarged Group and their additional global responsibilities, the Executive Directors salaries were not increased during the current financial year.

The Group achieved forecast results in the year-ended 30 November 2017, with revenue of £43.9m (2016: £21.5m) and adjusted EBITDA of £4.7m (2016: £1.2m). As a result, Andrew Walwyn, Frank Waters and Simon Clifton will receive bonuses of 42.5% percent, 42.5% percent and 50% percent of salary respectively. Additional uplift bonuses can be earned when performance materially exceeds targets. No such bonuses were awarded during the period.

During the course of the year Andrew Walwyn, Frank Waters and Simon Clifton were granted awards under the Group Incentive Plan as follows:

Director	Options	Price	Date	Vesting
Andrew Walwyn	1,500,000	7.63p	December 2016	December 2017
Frank Waters	1,300,000	7.63p	December 2016	December 2017
Simon Clifton	1,500,000	7.63p	December 2016	December 2017

As mentioned above, it is the intention to consider replacing future share option awards with a Company Long Term Incentive Plan.

Directors' remuneration policy

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

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

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

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

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

Future policy table

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

Fixed Pay

Base salary

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

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

Any increases are generally effective from 1 December.

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

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

Pension

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

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

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

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

Performance metrics: None.

Benefits

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

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

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

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

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

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

Performance metrics: None.

Variable Pay

Annual bonus

Purpose and link to strategy: Aims to focus executives on achieving stretching financial targets relevant to the business priorities for the financial period.

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

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

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

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

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

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

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

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

Non-Executive Directors' Fees

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

Operation: Monthly invoiced fee for Chairman.

Monthly invoiced fees for Non-Executive Directors.

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

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

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

Further details are set out below.

Performance metrics: None.

Notes to the policy table

- Cash collection, adjusted EBITDA and revenue are considered to be the best measures of the Group's annual performance given our current size and stage of growth and will continue to determine at least 50% of the achievement criteria for annual bonus awards. The Committee will keep this under review and may select alternative measures as the Group evolves and strategic priorities change.
- Annual bonus targets will be selected prior to, or shortly after, the start of the financial period. Financial targets will be calibrated with reference to the Group's budget for the upcoming financial period and the Group's performance over the prior financial period.
- Differences in remuneration policy operated for other employees
- Other senior and key-role employee remuneration has some of the same components as set out in the policy, being base salary, annual bonus, long-term incentive participation and pension provision. However, there is no provision for Medical insurance, Permanent Health Insurance, Life assurance or Car Allowance for non-Executive employees. Annual bonus and long-term incentive arrangements share a similar structure and pay-out arrangement, although the mix between performance-based and time-based awards, and the maximum award, varies by seniority and role.

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

Non-Executive Directors

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

Non-Executive Director	Role	Appointment date	Term of appointment
Michael Tobin	Chairman	29 September 2015	3 years
Paul Howard	Non-Executive Director	29 September 2015	3 years
Stephen Morana	Non-Executive Director	10 February 2017	3 years

Executive Directors

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

Executive Director	Role	Contract date	Notice period
Andrew Walwyn	Chief Executive Officer	12 May 2015	6 months
Frank Waters	Chief Financial Officer	12 May 2015	6 months
Simon Clifton	Chief Technology Officer	29 September 2016	6 months

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

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

Michael Tobin
Chairman of the Remuneration Committee
23 March 2018

Independent Auditor's Report

Opinion

We have audited the financial statements of Satellite Solutions Worldwide Group Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Key audit matters

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

Our application of materiality

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

We establish materiality for the financial statements as a whole to be £430,000 which is 1% of group revenue. Key audit risks were identified as impairment of intangibles assets, revenue recognition and going concern.

An overview of the scope of our audit

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

Audit risk	How we responded to the risk
Impairment of intangible assets As at 30 November 2016, the group had total intangible assets of £27.3million comprising goodwill (£14.7m), customer contracts (£11.1m) and other intangibles (£1.5m). During the year to 30 November 2017 the group made a further seven acquisitions taking the total intangibles to £30.2m split between goodwill (£21.0m), customer contracts (£6.4m) and other intangibles (£2.8m). With the exception of goodwill, intangibles are amortised over two to three years, and goodwill is reviewed annually for impairment by the Group. There is a risk therefore that amortisation is not correctly calculated and that the impairment has not been thoroughly reviewed.	**Our audit work included but was not restricted to:** ■ Review of all acquisition agreements during the year ensuring correct calculation of goodwill, contracts and IP values. ■ Review of forecasts for each subsidiary and customer base to ensure carrying value of intangibles is not impaired. ■ Review of impairment review to ensure appropriate discount factors have been applied. ■ Review of amortisation calculations.
Revenue Recognition The group generates revenue from the sale of airtime, data, hardware and installation in connection with the supply or broadband services. There is a risk therefore that revenue is inappropriately recognised or revenue is incorrectly apportioned to a product or service.	**Our audit work included but was not restricted to:** ■ Substantive testing on a sample of transactions ensuring inclusion in the correct revenue stream and period.
Going Concern For the year ended 30 November 2017 the group made an operating loss of £8.0m and a net cash inflow from operating activities of £2.3m and had net current assets of £9.3m and net debt of £13.1m at the year end.	**Our audit work included but was not restricted to:** ■ Review of budget and cash flow forecasts ■ Review of post year end cash activity. ■ Review of loan covenants to ensure compliance. ■ Discussion with management regarding future plans and activities.

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act

2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Ian Cliffe (Senior Statutory Auditor)

For and on behalf of haysmacintyre,
Statutory Auditors

10 Queen Street Place, London , EC4R 1AG

23 March 2018

Consolidated Statement of Comprehensive Income

	Notes	Year ended 2017 £'000	Year ended 2016 £'000
Revenue	2	43,892	21,461
Cost of sales		(28,315)	(14,157)
Gross profit		15,577	7,304
Distribution expenses		(9,284)	(4,572)
Administrative expenses		(14,316)	(8,110)
Operating loss	3	(8,023)	(5,378)
Operating profit before non-cash items and acquisition costs		4,671	1,237
Depreciation		(2,716)	(930)
Amortisation	11	(8,049)	(2,995)
Provision for potential legal costs		-	(300)
Share based payments	22	(353)	(316)
Employee related costs		(595)	-
Acquisition costs and fund-raising fees		(981)	(2,074)
Operating loss		(8,023)	(5,378)
Interest	7	(2,057)	(819)
Loss before tax		(10,080)	(6,197)
Taxation on operations	8	2,451	161
Loss for the financial year		(7,629)	(6,036)
Other comprehensive expense			
Foreign currency translation difference		(67)	(830)
Total comprehensive expense for the year		(7,696)	(6,866)
Loss per share from operations			
Basic EPS	9	(1.32p)	(1.57p)

In accordance with section 408 of the Companies Act 2006 the parent company has not presented its own Income Statement, which resulted in a loss of £4,208k (2016: loss £2,691k).

All results relate to continuing operations.

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

Consolidated Statement of Financial Position

	Notes	2017 £'000	As restated 2016 £'000
Assets			
Non-current assets			
Property, plant and equipment	10	7,000	4,933
Intangible assets	11	30,194	27,294
Investments	12	345	53
Total non-current assets		37,539	32,280
Current assets			
Cash and cash equivalents		3,452	3,318
Inventory	13	1,476	1,349
Trade and other receivables	14	5,707	5,792
Deferred tax asset	17	648	622
Total current assets		11,283	11,081
Total assets		48,822	43,361
Liabilities			
Current liabilities			
Trade and other payables	15	(20,262)	(16,320)
Non-current liabilities			
Other payables	15	(1,708)	-
Loans	16	(16,228)	(12,728)
Deferred tax liability	17	(1,292)	(4,167)
		(19,228)	(16,895)
Total liabilities		(39,490)	(33,215)
Net assets		**9,332**	**10,146**
Equity			
Share capital	18	6,826	5,362
Share premium	18	23,900	15,589
Share option reserve	19	817	464
Other equity reserve	19	271	271
Foreign exchange translation reserve	19	(2,520)	726
Reverse acquisition reserve	19	(3,317)	(3,317)
Listing cost reserve	19	(219)	(219)
Merger relief reserve	19	4,471	4,471
Retained losses		(20,897)	(13,201)
Total equity		**9,332**	**10,146**

Approved by the Board on 23 March 2018 and signed on its behalf by:

Andrew Walwyn
Chief Executive Officer

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

Company Statement of Financial Position

	Notes	2017 £'000	2016 £'000
Assets			
Non-current assets			
Investments	12	5,625	5,625
		5,625	5,625
Current assets			
Cash and cash equivalents		625	289
Trade and other receivables	14	39,394	28,335
		40,019	28,624
Total assets		45,644	34,249
Liabilities			
Current liabilities			
Trade and other payables	15	(1,713)	(738)
Non-current liabilities			
Non-current loans	16	(16,228)	(11,728)
Net assets		**27,703**	**21,783**
Equity			
Share capital	18	6,826	5,362
Share premium	18	23,900	15,589
Share option reserve	19	817	464
Other equity reserve	19	271	271
Listing cost reserve	19	(219)	(219)
Merger relief reserve	19	4,471	4,471
Retained losses		(8,363)	(4,155)
Total equity		**27,703**	**21,783**

Approved by the Board on 23 March 2018 and signed on its behalf by::

Andrew Walwyn
Chief Executive Officer

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

Consolidated Statement of Cash Flows

	Notes	2017 £'000	2016 £'000
Loss for the year		(7,629)	(6,036)
Adjustments for:			
Interest charge		2,057	819
Amortisation of intangible assets	11	8,049	2,995
Release of grant creditors		(582)	-
Depreciation of property, plant and equipment	10	3,287	930
Tax credit		(2,451)	(161)
Share based payments		353	316
Foreign exchange movement		(1,285)	48
Decrease / (increase) in inventories		114	(25)
(Increase) / decrease in trade and other receivables		(207)	1,628
Increase in trade and other payables		544	126
Loss on disposals of fixed assets		15	-
Cash generated from continuing operations		2,265	640
Interest paid		(1,406)	(819)
Net cash inflow / (outflow) from operating activities		859	(179)
Investing activities			
Purchase of property, plant and equipment	10	(2,826)	(1,481)
Purchase of intangibles	11	(4,362)	(262)
Purchase of investments	11	(4,066)	(20,083)
Net cash used in investing activities		(11,254)	(21,826)
Financing activities			
Cash within subsidiaries acquired	11	-	552
Proceeds from issue of ordinary share capital		7,518	12,100
Proceeds from bank revolving credit facility		4,500	12,000
Loans within subsidiaries acquired		-	(1,000)
Loan repayments		(1,489)	-
Net cash generated from financing activities		10,529	23,652
Net increase in cash and cash equivalents		134	1,647
Cash and cash equivalents at beginning of year		3,318	1,671
Cash and cash equivalents at end of year		3,452	3,318

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

Company Statement of Cash Flows

	Note	2017 £'000	2016 £'000
Loss for the year		(4,208)	(2,691)
Adjustments for:			
Interest charge		2,011	802
Share based payments		353	316
Increase in trade and other receivables		(19)	(5,302)
Increase in trade and other payables		2,120	7,315
Cash inflow from operating activities		257	440
Interest paid		(1,406)	(802)
Financing activities			
Proceeds from issue of ordinary share capital		7,518	12,100
Proceeds from bank revolving credit facility		4,500	12,000
Intercompany loans		(10,533)	(23,449)
Net cash generated from financing activities		1,485	651
Net increase in cash and cash equivalents		336	289
Cash and cash equivalents at beginning of year		289	-
Cash and cash equivalents at end of year		625	289

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

Consolidated Statement of Changes in Equity

	Note	Share Capital £'000	Share Premium £'000	Share Option Reserve £'000	Retained losses £'000	Other Equity Reserve £'000	Foreign Exchange Reserve £'000	Reverse Acquisition Reserve £'000	Listing Cost Reserve £'000	Merger Relief Reserve £'000	Total Equity £'000
At 1 December 2015		3,081	4,415	148	(6,335)	-	11	(3,317)	(219)	4,471	2,255
Loss for the year		-	-	-	(6,036)	-	-	-	-	-	(6,036)
Issue of shares		2,281	11,174	-	-	-	-	-	-	-	13,455
Equity-settled share-based payments	22	-	-	316	-	-	-	-	-	-	316
Equity component of loan		-	-	-	-	271	-	-	-	-	271
Other comprehensive expense		-	-	-	(830)	-	(1,767)	-	-	-	(2,597)
At 1 December 2016 – as previously stated		**5,362**	**15,589**	**464**	**(13,201)**	**271**	**(1,756)**	**(3,317)**	**(219)**	**4,471**	**7,664**
Prior year adjustment	25	-	-	-	-	-	2,482	-	-	-	2,482
At 1 December 2016 – as restated		**5,362**	**15,589**	**464**	**(13,201)**	**271**	**726**	**(3,317)**	**(219)**	**4,471**	**10,146**
Loss for the year		-	-	-	(7,629)	-	-	-	-	-	(7,629)
Issue of shares	18	1,464	8,311	-	-	-	-	-	-	-	9,775
Equity settled share-based payments	22	-	-	353	-	-	-	-	-	-	353
Other comprehensive expense		-	-	-	(67)	-	(3,246)	-	-	-	(3,313)
At 30 November 2017		**6,826**	**23,900**	**817**	**(20,897)**	**271**	**(2,520)**	**(3,317)**	**(219)**	**4,471**	**9,332**

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

Company Statement of Changes in Equity

	Note	Share capital £'000	Share premium £'000	Share option reserve £'000	Listing cost reserve £'000	Other equity reserve £'000	Merger relief reserve £'000	Retained losses £'000	Total equity £'000
At 1 December 2015		**3,081**	**4,415**	**148**	**(219)**	**-**	**4,471**	**(1,464)**	**10,432**
Loss for the year		-	-	-	-	-	-	(2,691)	(2,691)
Issue of shares		2,281	11,174	-	-	-	-	-	13,455
Equity component of loan		-	-	-	-	271	-	-	271
Equity-settled share-based payments	22	-	-	316	-	-	-	-	316
At 1 December 2016		**5,362**	**15,589**	**464**	**(219)**	**271**	**4,471**	**(4,155)**	**21,783**
Loss for the year		-	-	-	-	-	-	(4,208)	(4,208)
Issue of shares	18	1,464	8,311	-	-	-	-	-	9,775
Equity-settled share-based payments	22	-	-	353	-	-	-	-	353
At 30 November 2017		**6,826**	**23,900**	**817**	**(219)**	**271**	**4,471**	**(8,363)**	**27,703**

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

Notes to the Financial Statements

1. Accounting Policies

General information and basis of preparation

Satellite Solutions Worldwide Group plc is a public limited company, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is 108 Churchill Road, Bicester, Oxfordshire, England OX26 4XD. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The financial statements of Satellite Solutions Worldwide Group plc for the year ended 30 November 2017 were authorised for issue by the Board on 23 March 2018 and the balance sheets signed on the Board's behalf by Andrew Walwyn.

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

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

The consolidated financial statements are for the 12 months to 30 November 2017. This review covers the consolidated results of Satellite Solutions Worldwide Group plc and its subsidiary undertakings from the date of acquisition.

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

Standards issued and applied for the first time in 2017

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

- Amendments to IAS 16 and IAS 38 in respect of Clarification of Acceptable Methods of Depreciation and Amortisation.
- Amendments to IAS 1 in respect of determining what information to disclose in annual financial statements.
- The following new and revised Standards and Interpretations are expected over the coming years:
- IFRS 9 in respect of Financial Instruments which will be effective for the accounting years beginning on or after 1 January 2018.
- IFRS 15 in respect of Revenue from Contracts with Customers which will be effective for the accounting years beginning on or after 1 January 2018.
- IFRS 16 in respect of Leases which will be effective for the accounting years beginning on or after 1 January 2019, with earlier adoption permitted if IFRS 15 Revenue from Contracts with Customers has also been applied.

The effects of the above standards have not yet been quantified.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 3 to 24. The financial position of the Group, its cash flows and liquidity position are described in the Finance Review on pages 11 to 17. In addition note 23 to the financial statement includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

The financial statements at 30 November 2017 show that the Group generated an operating profit before share based payments, depreciation, intangible amortisation, acquisition costs and fundraising fees of £4.7m (2016: £1.2m), and with cash inflow from operations of £2.3m (2016: inflow of £0.6m) and a net increase in cash and cash equivalents of £0.1m in the year (2016: increase £1.6m). The Group balance sheet showed net cash at 30 November 2017 of £3.5m (2016: £3.3m).

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

The Board has concluded that no matters have come to its attention which suggest that the Group will not be able to maintain its current terms of trade with customers and suppliers or indeed that it could not adopt relevant measures to reduce costs and free cash flow. The forecasts for the combined Group up to 31 May 2019, as extended as part of HSBC approval process, including due consideration of the continued operating losses of the Group, and projections, taking account of reasonably possible changes in trading performance, indicate that the Group has sufficient cash available to continue in operational existence throughout the forecast year and beyond. The Board has considered various alternative operating strategies should these be necessary and are satisfied that revised operating strategies could be adopted if and when necessary. As a consequence, the Board believes that the Group is well placed to manage its business risks, and longer term strategic objectives, successfully.

Revenue

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

The principles in IAS 18 were applied using the following five steps:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

Foreign currency

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

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

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

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

Property, plant and equipment

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

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

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

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

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

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

Goodwill

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

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

Intangible Assets and Amortisation

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

- Customer Contracts – 2 years
- Software – 3 years

Intangible assets recognised in a business combination

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

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

- Customer Contracts – 2 years

Investments

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

Inventories

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

Trade and Other Receivables

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

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

Cash and cash equivalents

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

Trade and Other Payables

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

Impairment of Non-Financial Assets

The Group assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognised as revaluation decrease.

For goodwill, intangible assets that have an indefinite life, and intangible assets not yet available for use, the recoverable amount is estimated annually and at the end of each reporting year if there is an indication of impairment.

Financial Instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs (which is recognised in profit or loss).

Financial assets are de-recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risk and rewards of ownership.

Equity Instruments

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

BGF Convertible Loan

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

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income on a straight-line basis over the life of the lease.

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

Current and deferred taxation

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

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

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

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

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

Employee Entitlements

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

Pensions

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

Research & Development

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

Government Grants

Grants received as a subsidy towards the acquisition of assets are included as deferred income and will be released to the Statement of Comprehensive Income over the useful economic life of the asset.

Critical accounting judgements and key areas of estimation uncertainty

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

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

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

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

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

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

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

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

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

2. Revenue

	2017 £'000	2016 £'000
Recurring revenue- airtime	39,625	18,110
Recurring revenue – other	1,615	2,212
Other Non recurring revenue	2,652	1,139
	43,892	21,461

Segmental split of revenue:

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

The Group currently has one reportable segment – provision of broadband services – and categorises all revenue from operations to the segment.

The Group's revenue from external customers, and the non-current assets by geographical location is detailed below:

	External revenue by location of customer		Non-Current assets by location of assets	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
United Kingdom	14,083	9,592	22,900	11,499
Europe	14,450	8,242	8,421	12,432
Rest of World	15,359	3,627	6,219	5,876
	43,892	21,461	37,540	29,798

3. Loss From Operations

The loss before tax has been arrived at after charging the following:	2017 £'000	2016 £'000
Depreciation of property plant & equipment – within cost of sales	571	-
Depreciation of property plant & equipment – within administrative expenses	2,716	930
Depreciation of property plant & equipment – total (Note 10)	3,287	930
Amortisation of intangible assets (Note 11)	8,049	2,995
Operating lease payments (Note 20)	514	462
Share based payments (Note 22)	353	316
Wages & salaries and social security costs (Note 5)	8,082	3,669
Pension costs (Note 5)	17	-
Foreign exchange differences	66	830

4. Auditor's Remuneration

	2017 £'000	2016 £'000
Audit services		
Fees payable to the group's auditor for the audit of the Group's annual accounts	7	7
Fees payable to the Group's auditor for other services:		
Audit of the accounts of subsidiaries	67	35
Tax fees	8	7
	82	49

5. Staff Costs

	2017 £'000	2016 £'000
The aggregate remuneration of all employees (including directors) comprised:		
Wages and salaries	7,602	3,263
Social security costs	480	406
Pension costs	17	-
	8,099	3,669

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

	Number	Number
Operating staff	134	60
Sales staff	26	8
Management and administrative staff	32	46
	192	114

6. Directors' Remuneration

	2017 £'000	2016 £'000
Salaries	788	480
Fees	92	96
Benefits	60	31
Pension costs	7	-
	947	607

The highest paid director's aggregate remuneration was £327k (2016: £233k). With effect from January 2017, membership of the Company's workplace stakeholder pension scheme was possible and at 30 November 2017, 2 of the directors had joined the scheme. Details of directors' remuneration are set out in the Corporate Governance Statement on page 21.

7. Finance Costs – Group

	2017 £'000	2016 £'000
BGF unsecured loan interest payable	1,060	493
Bank loan interest payable	44	-
Revolving Credit Facility interest payable	121	-
Hire purchase and finance lease interest payable	2	-
Total interest payable	1,227	493
BGF redemption premium and finance charges	830	326
Total finance costs	2,057	819

Interest is payable on the BGF Unsecured Loan, Revolving Credit Facility and Bank Loan at 10%, 4.346% and 4.3% respectively. Hire purchase and finance lease interest is payable at 6%. Interest paid in the year amounts to £1,406k.

8. Taxation

	2017 £'000	2016 £'000
(a) Tax credit for the year		
UK Corporation tax	-	-
Overseas corporation tax	-	23
Deferred tax credit	(2,451)	(184)
Current tax credit	(2,451)	(161)

(b) Tax reconciliation

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

	2017 £'000	2016 £'000
Loss on ordinary activities before tax	(10,080)	(6,197)
Tax at UK corporation tax rate of 19% (2016: 20%)	(1,915)	(1,239)
Tax effect of expenses that are not deductible in determining taxable profit	544	956
Non-taxable income	(44)	-
Fixed asset differences	(64)	-
Income tax rates differences between countries	-	15
Deferred tax not recognised	1,470	291
Under provision in prior year	9	-
Tax credit at effective tax rate for the year	-	23

(c) Deferred Tax – Group

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

	2017 £'000	2016 £'000
Deferred tax asset	648	622
Deferred tax liability	(1,292)	(4,167)
	(644)	(3,545)

9. Loss Per Share

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

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

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

30 November 2017	Loss £'000	Weighted Average No. of Shares '000	Per share amount Pence
Basic and diluted EPS			
Loss attributable to shareholders:			
- Continuing operations	(7,629)	579,563,625	(1.32)

30 November 2016	Loss £'000	Weighted Average No. of Shares '000	Per share amount Pence
Basic and diluted EPS			
Loss attributable to shareholders:			
- Continuing operations	(6,036)	384,156,094	(1.57)

10. Property, Plant And Equipment – Group

Cost	Land & Buildings £'000	Fixtures & Fittings £'000	IT Hardware & Software £'000	Motor Vehicles £'000	Rental Stock £'000	Total £'000
At 1 December 2015	-	52	234	71	143	500
Additions	-	650	144	-	687	1,481
Disposals	-	-	-	(7)	-	(7)
Acquired through business combinations	-	3,360	830	-	24	4,214
At 30 November 2016	-	4,062	1,208	64	854	6,188
Additions	-	1,143	163	16	1,504	2,826
Disposals	-	-	-	(28)	-	(28)
Acquired through business combinations	229	3,643	-	104	-	3,976
At 30 November 2017	229	8,848	1,1,371	156	2,358	12,962
Accumulated Depreciation						
At 1 December 2015	-	28	141	37	23	229
Depreciation on Acquisition	-	30	56	-	17	103
Deprecation charge	-	605	214	9	102	930
Disposals	-	-	-	(7)	-	(7)
At 30 November 2016	-	663	411	39	142	1,255
Depreciation on Acquisition	38	1,369	-	26	-	1,433
Depreciation charge	30	2,226	63	16	952	3,287
Disposals	-	-	-	(13)	-	(13)
At 30 November 2017	68	4,258	474	68	1,094	5,962
Net book value						
At 30 November 2017	161	4,590	897	88	1,264	7,000
At 30 November 2016	-	3,399	797	25	712	4,933

11. Intangible Assets - Group

	Goodwill £'000	Customer Contracts £'000	Software £'000	Intellectual Property £'000	Total £'000
Cost					
At 1 December 2015	2,317	2,216	-	121	4,654
Additions	10,986	10,966	280	1,122	23,354
At 30 November 2016 - as previously stated	**13,303**	**13,182**	**280**	**1,243**	**28,008**
Prior year adjustment (see note 25)	1,384	1,098	-	-	2,482
At 30 November 2016 – as restated	**14,687**	**14,280**	**280**	**1,243**	**30,490**
Additions	-	-	307	-	307
Forex movement	-	328	-	127	455
Acquired through business combinations	6,272	2,834	-	1,081	10,187
At 30 November 2017	20,959	17,442	587	2,451	41,439
Accumulated amortisation					
At 1 December 2015	1	200	-	-	201
Amortisation	-	2,968	27	-	2,995
At 30 November 2016	1	3,168	27	-	3,196
Amortisation	-	7,834	215	-	8,049
At 30 November 2017	1	11,002	242	-	11,245
Net book value					
At 30 November 2017	20,958	6,440	345	2,451	30,194
At 30 November 2016	14,686	11,112	253	1,243	27,294

Additions

(1) BorderNET Internet Pty Ltd

On 6 March 2017, SkyMesh Pty Ltd, a wholly owned subsidiary of Satellite Solutions Worldwide Group Plc, acquired the entire share capital of BorderNET Internet Pty Ltd. The book value at acquisition, which is equivalent to fair value of the assets, was as follows:

	Book Value £'000	Fair Value £'000
Goodwill	1,114	927
Fixed assets	7	7
Stock	118	118
Other current assets	53	53
Liabilities	(145)	(145)
Intellectual Property	67	67
Customer Contracts	389	389
Deferred Tax	(77)	(77)
Total consideration	1,526	1,339
Satisfied by:		
Cash		894
Shares		257
Deferred consideration – see below		188
		1,339

Deferred consideration of £188k was calculated as a final payment post acquisition.

(2) NextNet

On 6 March 2017, Breiband AS, a wholly owned subsidiary of Satellite Solutions Worldwide Group Plc, acquired certain of the assets of NextNet. The fair value at acquisition was as follows:

	£'000
Goodwill	130
Stock	19
Intellectual Property	26
Customer Contracts	408
Deferred Tax	(74)
Total consideration	509
Satisfied by:	
Cash	509

(3) AS Distriktsnett ('ASDN')

On 6 March 2017, Breiband AS, a wholly owned subsidiary of Satellite Solutions Worldwide Group Plc, acquired certain of the assets of ASDN. The fair value at acquisition was as follows:

	£'000
Goodwill	20
Intellectual Property	4
Customer Contracts	69
Deferred Tax	(12)
Total consideration	81
Satisfied by:	
Cash	81

(4) Quickline Communications Ltd

On 17 August 2017, Satellite Solutions Worldwide Limited, a wholly owned subsidiary of Satellite Solutions Worldwide Group Plc, acquired the entire share capital of Quickline Communications Ltd. The fair value at acquisition was as follows:

	£'000
Goodwill	4,205
Fixed assets	2,535
Stock	104
Other current assets	212
Liabilities	(854)
Intellectual Property	385
Customer Contracts	1,440
Deferred Tax	(310)
Total consideration	7,717
Satisfied by:	
Cash	2,962
Shares	2,000
Deferred consideration – see below	2,729
Stamp duty	26
	7,717

Deferred consideration of £2,729k was calculated taking into consideration the next 3 years planned EBITDA. EBITDA in excess of targets will incur a multiplier of 4 times the excess over the target EBITDA, payable on an annual basis.

(5) BeyonDSL

On 6 November 2017, Satellite Solutions Worldwide Limited, a wholly owned subsidiary of Satellite Solutions Worldwide Group Plc, acquired certain of the assets of BeyonDSL. The fair value at acquisition was as follows:

	£'000
Goodwill	712
Intellectual Property	60
Customer Contracts	528
Deferred Tax	(100)
Total consideration	1,200
Satisfied by:	
Cash	900
Deferred consideration – see below	300
	1,200

Deferred consideration of £300k is based on 25% of the total original consideration and payable in May 2018. After 60 days from acquisition, if the connections have fallen below the initial connections purchased, deferred consideration will be reduced by a fixed amount per connection below the initial number of connections purchased.

(6) Clannet Broadband Ltd

On 6 November 2017, Quickline Communications Ltd, a wholly owned subsidiary of Satellite Solutions Worldwide Group Plc, acquired the entire share capital of Clannet Broadband Ltd. The fair value at acquisition was as follows:

	£'000
Goodwill	71
Intellectual Property	420
Deferred Tax	(71)
Total consideration	420
Satisfied by:	
Cash	210
Deferred consideration - see below	210
	420

Deferred consideration of £210k is based on 50% of the total original consideration and payable in May 2018. After 60 days from acquisition, if the connections have fallen below the initial connections purchased, deferred consideration will be reduced by a fixed amount per connection below the initial number of connections purchased.

(7) Eidsiva Breiband AS

On 6 November 2017, Satellite Solutions Worldwide Limited, a wholly owned subsidiary of Satellite Solutions Worldwide Group Plc, acquired certain of the assets of Eidsiva Breiband AS. The fair value at acquisition was as follows:

	£'000
Goodwill	20
Intellectual Property	119
Deferred Tax	(20)
Total consideration	119
Satisfied by:	
Cash	83
Deferred consideration - see below	36
	119

Deferred consideration of £36k is based on 30% of the total original consideration and payable in May 2018. After 60 days from acquisition, if the connections have fallen below the initial connections purchased, deferred consideration will be reduced by a fixed amount per connection below the initial number of connections purchased.

Goodwill arising on acquisition

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

	BorderNET £'000	NextNet £'000	ASDN £'000	Quickline £'000
Consideration	1,339	509	81	7,717
Fair value of assets & liabilities acquired	225	379	61	3,512
Goodwill	1,114	130	20	4,205

	BeyonDSL £'000	Clannet £'000	Eidsiva £'000	Total £'000
Consideration	1,200	420	119	11,385
Fair value of assets & liabilities acquired	488	349	99	5,113
Goodwill	712	71	20	6,272

The above consideration includes deferred consideration of £3.4m.

Revenue and Profits from acquisitions in the year

Revenue and profit after tax included in the Consolidated Statements of Comprehensive Income for the year ended 30 November 2017, from the acquisitions in the year are as follows:

	BorderNET £'000	NextNet £'000	ASDN £'000	Quickline £'000
Post-acquisition				
Revenue	955	520	74	861
Profit after tax	200	94	41	160
Like for like revenue	1,146	624	89	2,657

	BeyonDSL £'000	Clannet £'000	Eidsiva £'000	Total £'000
Post-acquisition				
Revenue	56	16	-	2,482
Profit after tax	22	6	-	523
Like for like revenue	605	173	-	5,294

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

12. Investments

	Group		Company	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Subsidiaries	-	-	5,625	5,625
Customer Contracts	345	53	-	-
	345	53	5,625	5,625
Opening balance:				
Satellite Solutions Worldwide Limited	-	-	5,625	5,625
Customers of Vertical Connect Ltd	53	53	-	-
Additions during the year:				
Netipsat Customers	218	-	-	-
Internet Anywhere Customers	74	-	-	-
	292	-	-	-
Closing balance	345	53	5,625	5,625

Subsidiary Undertakings

Satellite Solutions Worldwide Group plc and its subsidiaries hold more than 20% of the share capital of the companies overleaf:

	Country of Incorporation	Class of Shares	Parent company	No. of shares	% held by parent
Satellite Solutions Worldwide Limited	England and Wales	Ordinary	Satellite Solutions Worldwide Group Plc	20,266 of £0.01 each	100
Europasat Satellite (Ireland) Limited	Ireland	Ordinary	Satellite Solutions Worldwide Group Plc	100 of €1 each	100
Europasat (France) SAS	France	Ordinary	Satellite Solutions Worldwide Group Plc	5,000 of €1 each	100
Europasat Sp Z.o.o.	Poland	Ordinary	Satellite Solutions Worldwide Group Plc	100 of PLN0.02 each	100
Avonline Satellite Services Holdings Ltd	England and Wales	Ordinary	Satellite Solutions Worldwide Group Plc	50,000 of £1.60 each 50,000 of £1 each 50,000 of £18.80 each	100
Avonline Satellite Services Ltd	England and Wales	Ordinary	Avonline Satellite Services Holdings Ltd	2 of £1	100
Breiband.no AS	Norway	Ordinary	Satellite Solutions Worldwide Limited	1,700,412 of 1.40Nok each	100
SkyMesh Pty Ltd	Australia	Ordinary	Satellite Solutions Worldwide Limited	20,898,680 of £0.196 each	100
BorderNET Internet Pty Ltd	Australia	Ordinary	SkyMesh Pty Ltd	2,863,105 of £0.09 each	100
Quickline Communications Ltd	England and Wales	Ordinary	Satellite Solutions Worldwide Limited	28,571,428 of £0.07 each	100
Clannet Broadband Ltd	England and Wales	Ordinary	Quickline Communications Ltd	4 of £1 each	100

Refer to Note 11 for detail on the goodwill and intangibles on acquisitions.

13. Inventory

Group	**2017 £'000**	**2016 £'000**
Finished goods	1,476	1,349

14. Trade and Other Receivables

	Group		**Company**	
	2017 £'000	**2016 £'000**	**2017 £'000**	**2016 £'000**
Trade receivables	3,018	2,595	-	-
Other receivables	729	3,002	35	40
Prepayments and accrued income	1,960	195	61	38
Amounts due from group undertakings	-	-	39,298	28,257
	5,707	5,792	39,394	28,335

Movement in provision for impairment of receivables

Individually impaired	**2017 £'000**	**2016 £'000**
As at 1 December 2016	422	341
Income statement	321	87
Utilised	(130)	(6)
As at 30 November 2017	613	422

The average credit days taken on sales of goods and services is 25 days (2016: 30 days). No interest is charged on receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience and likelihood of recovery as assessed by the directors.

Included in the Group's trade receivable balance are debtors with a carrying amount of £432k (2016: £480k) which are past due at the reporting date. The directors consider that the carrying amount of trade receivables approximates to their fair value.

	Individually Impaired 2017	**Individually Impaired 2016**
Amounts receivable ageing:	**£'000**	**£'000**
Current	1,555	1,188
30-60 days	620	534
60-90 days	221	178
90-120 days	622	695
As at 30 November 2017	3,018	2,595

15. Trade and Other Payables

Current	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Bank loans	-	489	-	-
Trade payables	7,176	5,654	294	265
Amounts due to group undertakings	-	-	250	-
Other taxes and social security	2,012	1,211	-	-
Other payables	6,823	5,602	-	-
Accruals and deferred income	4,188	3,364	1,169	473
Finance leases	63	-	-	-
	20,262	16,320	1,713	738
Non-current				
Other payables	1,708	-	-	-

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average creditors days taken for trade purchases is 93 days (2016: 83 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. Within other payables is £3.4m of deferred consideration which relates to future years profits in relation to acquisitions made during the year. The directors consider that the carrying amount of trade and other payables approximates to their fair value.

16. Non-current liabilities

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Unsecured Loan	11,728	11,728	11,728	11,728
Bank Loan	-	1,000	-	-
Revolving credit facility	4,500	-	4,500	-
Total loans	16,228	12,728	16,228	11,728
Other payables	1,708	-	-	-
Total	17,936	12,728	16,228	11,728

The Unsecured Loan is subordinated and repayable in May 2021. Interest is charged quarterly at a fixed rate of 10% pa. The unsecured Bank Loan attracts interest at a fixed 4.3% and was repaid in full during the year. The unsecured Revolving Credit Facility obtained during the year is repayable by May 2024, and attracts interest at a fixed rate of 4.346%. Finance leases attract interest at a rate of 6%. Other payables relate to deferred consideration payable greater than one year.

Maturity analysis

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Due less than 1 year	-	1,000	-	-
Due 1 – 2 years	846	-	-	-
Due 2 – 5 years	12,590	11,728	11,728	11,728
Due over 5 years	4,500	-	4,500	-
Total	17,936	12,728	16,228	11,728

BGF loan and equity warrants

A fully subordinated £12m 2024 unsecured loan note facility and associated equity warrants (the 'BGF loan and option') were received from BGF in 2016. These instruments are accounted for using split accounting which involves first determining the carrying amount of the debt component. This is done by measuring the net present value of the discounted cash flows of interest and capital repayments, ignoring the possibility of exercise of the equity warrants. The discount rate is the market rate at the time of inception for a similar liability that does not have an associated equity instrument. On this basis the debt component, held within 'other non-current liabilities', had a fair value as at 30 November 2017 of £11.7m (2016: £11.7m), and the equity component, held within 'other equity reserves', a fair value of £0.3m (2016: £0.3m). As at 30 November 2017, the fair value of the debt component had increased due to the unwinding of the interest rate discount over time, with a £830k (2016: £326k) charge going to finance costs in the income statement. This charge is split £146k (2016: £146k) within underlying interest charges and £684k (2016: £180k) within non-underlying finance costs, the latter amount being the additional annual charge associated with the redemption premium.

17. Deferred Taxation

	2017 £'000	2016 £'000
At 1 December	3,545	464
Transfer to Statement of Comprehensive Income	(2,451)	(161)
Deferred taxation adjustment on prior year acquisition	(1,229)	-
Deferred taxation on acquisitions in the year	664	3,702
Deferred tax acquired	-	(437)
Other differences	115	(23)
At 30 November	644	3,545
Deferred tax is provided as follows:		
Accelerated capital allowances	648	622
Intangible assets	(1,292)	(4,167)
	(644)	(3,545)
Geographical split of deferred tax asset:		
United Kingdom	78	30
Europe	523	545
Rest of the World	47	47
	648	622

18. Share Capital

	No. of Shares No.	Share Capital £	Share Premium £
At 30 November 2016	536,175,719	5,361,757	15,588,635
Shares issued in the year			
Shares issued at 6.68p each	146,434,533	1,464,345	8,311,607
At 30 November 2017	682,610,252	6,826,103	23,900,242

All issued share capital is fully paid up. All ordinary shares have a par value of £0.01.

19. Other Capital Reserves – Group

Listing cost reserve

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

Reverse acquisition reserve

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

Foreign exchange translation reserve

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

Share option reserve

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

Merger relief reserve

The merger relief reserve relates to share premium attributable to shares issued in relation to the acquisition of Satellite Solutions Worldwide Limited.

Other Equity Reserve

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

Share Premium

Share premium represents the excess consideration over nominal value net of issue costs and amounts to £23.9m (2016: £15.6m). Costs of £530k were offset against the share premium account during 2017 in relation to funds raised from the issue of shares.

20. Operating Lease Arrangements

	2017 £'000	2016 £'000
The Group as lessee		
Minimum lease payments under operating leases recognised as an expense in the year	514	462

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

	2017 £'000	2016 £'000
Within one year	439	367
Within 2 – 5 years	684	642
	1,123	1,009

21. Related Party Transactions

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

Remuneration of key management personnel

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

	2017 £'000	2016 £'000
Short- term employment benefits	947	607
Pension costs	17	-
Share based payments	353	316
	1,317	923

22. Share-Based Payments

Share Options

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

	2017		2016	
	Number of Share Options	Weighted Average Exercise price	Number of Share Options	Weighted Average Exercise price
Outstanding at beginning of year	27,428,631	4.687p	6,832,210	1.975p
Cancelled during the year	(660,000)	7.630p	(284,676)	1.975p
Granted during the year	18,160,000	7.630p	20,881,097	5.540p
Outstanding at end of year	44,928,631	5.833p	27,428,631	4.660p
Exercisable at end of year	10,358,631	3.180p	10,643,307	3.150p

The options outstanding at 30 November 2017 had a weighted average exercise price of 5.833p (2016: 1.975p), and a weighted average remaining contractual life of 2 years (2016: 4 years). The inputs into the Black-Scholes model are as follows:

	2017	2016
Weighted average share price	7.25p	5.42p
Weighted average exercise price	5.83p	4.66p
Expected volatility	50%	50%
Expected life	2	3
Risk-free rate	5%	5%

Warrants

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

	2017		2016	
	Number of warrants	Weighted Average Exercise price	Number of warrants	Weighted Average Exercise price
Outstanding at beginning of year	1,626,963	1.0p	1,626,963	1.0p
Outstanding at end of year	1,626,963		1,626,963	
Exercisable at end of year	1,626,963		1,626,963	

The warrants outstanding at 30 November 2017 had a weighted average exercise price of 1.00p (2016: 1.00p), and a weighted average remaining contractual life of 2 years. The inputs into the Black-Scholes model are as follows:

	2017	2016
Weighted average share price	4.5p	4.5p
Weighted average exercise price	1.0p	1.0p
Expected volatility	50%	50%
Expected life	2 yrs	3 yrs
Risk-free rate	5%	5%

Expected volatility was determined by assessing the movements of the share price since the readmission in May 2015. The group recognised total expenses of £353k (2016: £316k) related to equity-settled share-based payment transactions as follows:

	2017	2016
	£'000	£'000
Share option charge	353	316

23. Financial Risk Management

Background

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

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to meet their financial obligations as they arise while maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 18 to 19. The Group raised £9.5m in August 2017 from the issue of new shares and a further £4.5m by way of revolving credit facility with HSBC. The Group utilised the majority of these funds to invest in future growth by acquiring a number of companies and businesses.

Credit risk

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

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, the cash position is continuously monitored to ensure that cash balances (or agreed facilities) meet expected requirements for a period of at least 90 days. The Board monitors annual cash budgets and updated forecasts against actual cash position on a monthly basis. At the balance sheet date, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The maturity of financial liabilities is detailed in Note 23.

Market risk

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

Interest rate risk

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

Borrowings contractual maturities and effective interest rate analysis

In respect of interest bearing financial liabilities, the following table indicates the undiscounted amounts due for the remaining contractual maturity (including interest payments based on the outstanding liability at the year end) and their effective interest rates. The ageing of these amounts is based on the earliest dates on which the Group can be required to pay.

Non-interest bearing liabilities

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

Currency risk

The main currency exposure of the Group arises from the ownership of the Australian and Norweign subsidiaries which cumulatively account for approximately 18% of the Group's net assets.

It is the Board's policy not to hedge against movements in the Sterling/Australian Dollar, Stelring/Norweign Kroner and Sterling/Euro exchange rate.

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

Trading

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

24. Financial instruments

The Group has the following financial instruments:

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Financial assets				
Cash & cash equivalents	3,452	3,318	625	289
Trade receivables	3,018	2,595	-	-
Amounts owed by group undertakings	-	-	39,298	28,257
Other receivables	729	3,002	35	40
Total	7,199	8,915	39,958	28,586
Financial liabilities				
Trade payables	7,176	5,654	294	265
Amounts owed to group undertakings	-	-	250	-
Accruals	1,633	3,364	1,169	473
Other creditors	8,531	5,602	-	-
Finance leases	63	-	-	-
Total	17,403	14,620	1,713	738

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

25. Prior year adjustment

The prior year adjustment relates to the re-analysis of foreign exchange gains and losses on Intangibles and amounts to £2,482k.

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