Bigblu Broadband plc

Annual Report & Accounts for the year ended 30 November 2021

A Company Registered in England & Wales No. 09223439

2021 CONTINUING BUSINESS HIGHLIGHTS

TOTAL REVENUE
£27.1m

2021	£27.1m
2020	£23.4m

Adjusted EBITDA
£4.6m

2021	£4.6m
2020	£4.1m

Net Cash
£5.2m

2021	£5.2m
2020	£7.4m
2020	Like for like £5.2m

EPS
46.9p

Basic

2021	46.9p
2020	16.8p

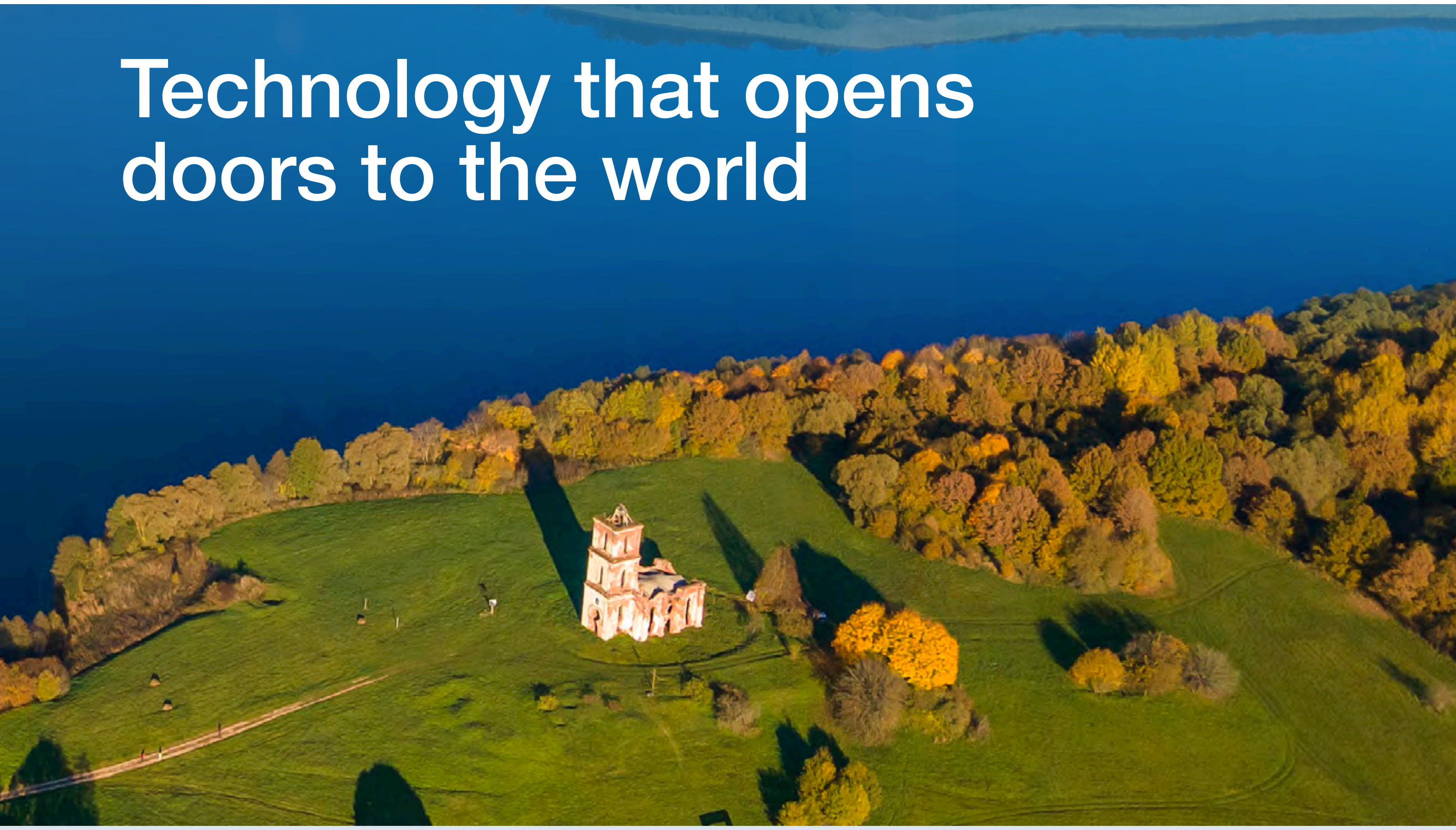
Adjusted

2021	4.3p
2020	1.9p

Contents

Company Overview

Technology that opens doors to the world



Bigblu Broadband plc (AIM: BBB.L), is a leading provider of alternative superfast* and ultrafast broadband solutions throughout Australasia and the Nordics.**

BBB delivers a portfolio of superfast and ultrafast wireless broadband products for consumers and businesses unserved or underserved by fibre.

High levels of recurring revenue, increasing economies of scale and Government stimulation of the alternative broadband market in many countries provide a solid foundation for significant organic growth as demand for alternative ultrafast broadband services increases around the world.

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

Importantly, as its core technologies evolve, and more affordable capacity is made available, BBB continues to offer ever-increasing speeds and higher data throughputs to satisfy market demands for broadband and broadband services. BBB's alternative broadband offerings present a customer experience that is similar to that offered by wired broadband and the connection can be shared in the normal way with PCs, tablets and smart phones via a normal wired or wireless router.

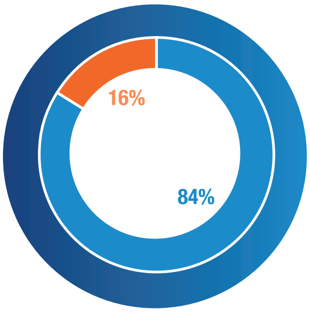
* Superfast is defined as broadband speeds in excess of 30Mbps
** Ultrafast is defined as broadband speeds in excess of 100Mbps

Company Snapshot

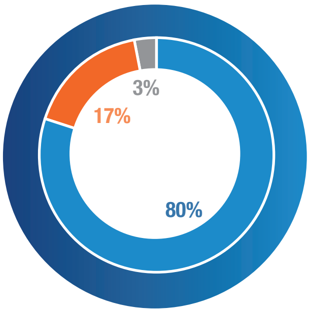
OVERVIEW

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

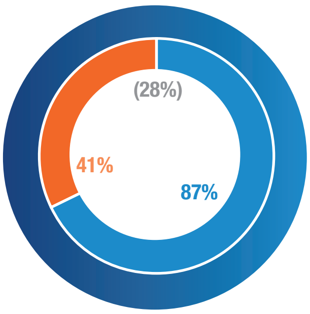
CUSTOMER NUMBERS



REVENUE



ADJUSTED EBITDA



Australasia · Nordics · PLC

AUSTRALASIA

CUSTOMER NUMBERS ('000)

49.7

Strong organic customer net growth of 3.7k over the course of the year

REVENUE (£m)

£21.8m

The increase in revenue of 31% was a result of the continued organic growth in customer numbers and an improved APRU

ADJUSTED EBITDA (£m)

£4.0m

EBITDA improved by 43% following continued cost efficiencies across the company

Nordics

CUSTOMER NUMBERS ('000)

9.1

Net underlying customers growth was 2.0k before exceptional churn of 4.1k customers associated with the demounting and cancellation of loss-making masts and contracts

REVENUE (£m)

£4.6m

Revenue in the year reduced by £1.7m (27%) due to the loss of customers through exceptional churn

ADJUSTED EBITDA (£m)

£1.9m

Adjusted EBITDA reduced by £1.0m (34%) in the year due to strict overhead cost controls implemented during the year

PLC

REVENUE (£m)

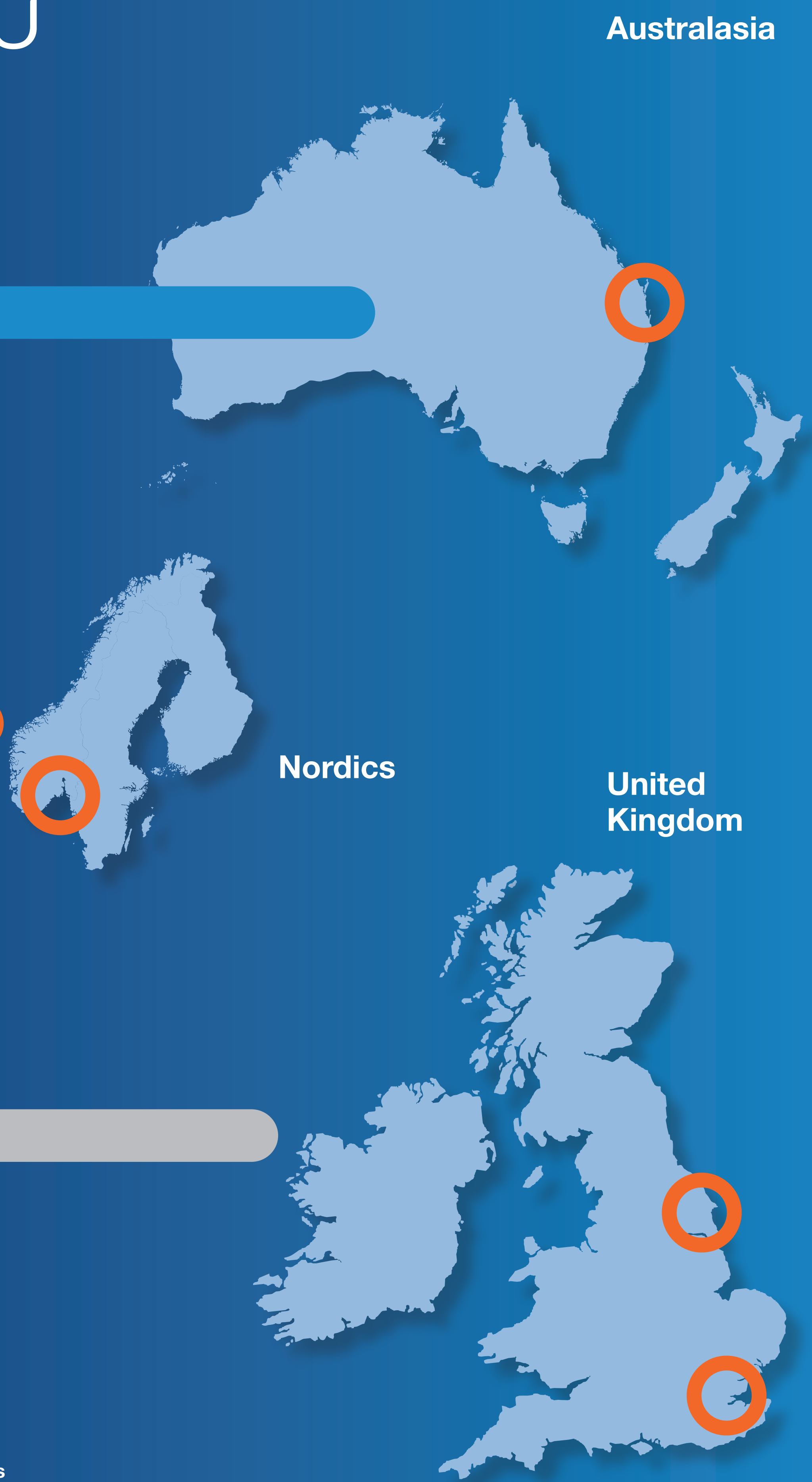
£0.7m

Revenue was 40% higher due to support services (FY20: £0.5m)

ADJUSTED EBITDA (£m)

(£1.3m)

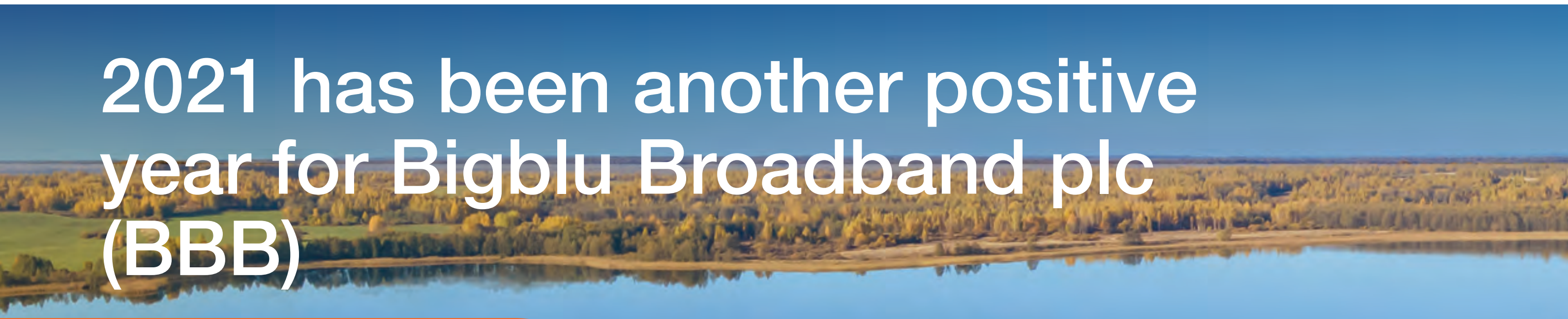
Reduced by 19% in the year as we managed to control costs along with the increased revenue



KEY

Operational Locations

Chairman's Statement



2021 has been another positive year for Bigblu Broadband plc (BBB)

MICHAEL TOBIN OBE
Chairman

In June 21, BBB announced the disposal of its majority interest in Quickline to funds managed by Northleaf Capital Partners ("the Disposal") and this was completed in June 2021. Northleaf plan to undertake significant further investment in building a market leading business.

The consideration due to the Company following the Disposal was total cash consideration of up to £41.2m of which £31.1m was paid on completion, with a further £10.1m as deferred contingent consideration that remains subject to certain performance conditions being met by 31 March 2022, or in certain circumstances, 31 May 2022; and £5.6m being satisfied in shares (£2.2m) and Loan Notes (£3.4m at an interest rate of 4.5% pa) that were issued to the Company on completion and an additional award of Loan Notes (with an option to convert partially into equity) of up to £1.8m subject to the conditions of the deferred contingent consideration also being met.

The Company exercised its option to convert £2.2m (40%) of the Loan Notes into equity and, following further investment into Quickline by Northleaf, the Company currently has an c.7% stake in the business as at 30 November 2021 (excluding the £1.8m of Loan Notes that are subject to the conditions of the deferred contingent consideration being met).

The Board believed that the disposal provided the Group with the opportunity to crystalise an attractive return on invested capital with respect to the sale of Quickline to Northleaf with the maximum consideration payable by Northleaf to BBB representing a premium of approximately 600 per cent over the aggregate consideration paid during the Group's buy and build strategy. In addition, the Group retains a stake in the ongoing business with the funding support to materially expand its rural footprint across Northern England.

Following completion in June 2021 BBB's remaining operations consist of its Australian operations (SkyMesh Pty Limited) and its Nordics business (Bigblu Norge AS) (together, the "Continuing Group"), and its remaining investment in Quickline.

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

In January 2021 BB announced that Quickline has joined Cityfibre 's full fibre network to deliver Gigabit home broadband in four locations across England, and then on 30 March 2021, Quickline announced that Sean Royce would join the Quickline board as CEO on 4 May 2021, to bring a wealth of experience to the business and to further develop its growth strategy and focus on establishing Quickline as a leading provider of rural broadband services across Northern England and beyond.

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

At the time of the announcement of the Disposal of Quickline, the Board of the Company made it clear that it would explore means of returning any surplus cash to shareholders within BBB's current financial year. Following completion of the Disposal, and receipt of the initial cash consideration, the Company had outstanding gross debt of £8.4m and gross cash of approximately £41m.

Customer net growth up 4.4%
1.6k

Recurring revenue (FY20: 89%)
94%

Net cash (FY20: £7.4m, with Like for like £5.2m)
£5.2m

Sale of discontinued business generating gain of
£25.9m

Return of Capital to shareholders
£26.1m

After giving due consideration to the investment opportunities of the Group, the Board announced the proposed return of approximately £26m in aggregate to Shareholders and chose to implement this as a return of capital through a bonus issue of a new class of B shares, which the Company redeemed for cash in order to return 45 pence per Ordinary Share to Shareholders. This return of value was completed in October 2021.

In addition, the Company repaid all outstanding debt of £8.4m and retained a reduced facility with its bank Santander of £5m.

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

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

- Customer connections ended on c.59k after organic growth of c.6k customers. We have continued to invest in our people and have made significant improvements in our back-end systems, to ensure we are well placed going into 2022 to capitalise on opportunities in our target continuing markets.
- During the year, despite the inevitable distraction of the sale process we generated good growth in our Continuing business, which resulted in a 15% increase in constant currency like-for-like revenues in the year (2020: increase 4%) as well as improved profitability and cash flow generation

As stated in previous years, I am a strong believer that good corporate governance supports a group's long-term success. This is very important for 2022 and beyond, given the planned growth of the continuing operations and the very exciting opportunities in Australasia and the Nordics. The structures, advisers and committees we have in place for establishing and articulating the Board's strategy and monitoring the performance of the Group's management continue to function well and add value for the group's shareholders.

Part of our governance regime is our continued regular communication with shareholders as our strategy continues to progress. To this end, we embarked upon an inclusive investor relations programme in 2020 which has continued throughout 2021, and we will continue to interact with shareholders on a regular and proactive manner. This year the AGM will be held on 19 May 2022 and such notice of the AGM will be circulated to shareholders shortly.

Finally, I would like to thank Andrew Walwyn, his management team and all the staff in the Group for their efforts in 2021. Everyone played their part in a demanding yet successful year in the Group's life. I, and the rest of the Board, fully recognise the continued impact that COVID-19 virus brings on a global scale and recognise that the team are working very hard to look after our existing customers and support new customers requiring our service and so continue to look forward to the remainder of 2022 with confidence.

Michael Tobin OBE
Chairman

21 March 2022

Chief Executive Report

2021 was another year of growth for the Group with a significant return of capital to our shareholders. The Group is in an excellent position to take advantage of upcoming market opportunities.

ANDREW WALWYN
CEO

Australasia expansion into New Zealand and post Balance Sheet acquisition of customers and certain assets from Clear Networks Pty.

SkyMesh named 'Best Satellite NBNCo Provider' for 3 years in a row

Nordics upgraded network complete with new 5G Fixed Wireless product offering through a distribution agreement with Telenor

OVERVIEW

2021 was another important year for the Group, with the Disposal of the Group's majority interest in Quickline, the UK fixed wireless business, to Northleaf. Following completion in June 2021, BBB's remaining operations consist of our Australasian operations and our Nordics business. The Company also continues to hold a minority interest in Quickline.

In the six years since listing, the Group has successfully executed its strategy of becoming a leading provider of rural broadband solutions, realising shareholder value through the disposals of its UK and European satellite operations and Quickline, and has established a market leading presence in Australasia, via SkyMesh and a strong Nordics presence.

The Directors consider that the Group has created a strong value proposition by combining management experience and core IT systems which enable the Group to control costs, increase margins and average revenues per user (ARPU). The Directors believed that the disposals in 2020 and 2021 not only realised significant value for the Company's shareholders but left the business with a robust platform for growth and an established position across our markets from which to grow and service our customers. At the same time, the Group has focused on reducing costs to align these to the relative size of the business.

THE CONTINUING GROUP

Following the Disposal, the Continuing Group has two distinct businesses with 59k customer connections and given their respective strengths, each of the business units has potential opportunities to enhance further shareholder value.

A REVIEW OF OUR CONTINUING OPERATIONS:

AUSTRALASIA

Our SkyMesh business continues to be the leading Australian satellite broadband service provider. For the year ended 30 November 2021, total revenues from SkyMesh were £21.8m, adjusted EBITDA of £4.0m and as at 30 November 2021, SkyMesh had 50k customers (FY20: 46k). Having been named Best Satellite NBNCo Provider in 2019, 2020 and again in 2021, SkyMesh continues to secure over 50% market share of net new satellite adds under the NBNCo scheme as demand continues to grow for the Sky Muster Plus product. SkyMesh is seeing growth in the business sector subsequent to the release of a new business focused product by NBNCo and this momentum will continue into 2022.

Having assessed the opportunity in this region, we continue to believe that, whilst the organic growth remains highly impressive, this growth could be complemented by certain partnerships or acquisitions that could accelerate the Group's presence into the wider Australasia region. As announced in February 2021, SkyMesh signed an agreement with Kacific to provide services into New Zealand and has signed its first customers in December 2021. In addition, post-period end, the Company completed the acquisition of certain assets and customers from Clear Networks (Pty) Ltd ("Clear"). Clear is an Australian ISP based in Melbourne offering a suite of NBNCo broadband products, as well as a private fixed wireless network primarily serving the greater Melbourne area. This acquisition has helped the Company strengthen its presence in this area as SkyMesh looks to grow its presence across Australia.

Overall, the Board continue to believe that there are excellent growth opportunities for SkyMesh to not only increase its presence in its core market of Australia but also to expand its reach across the Australasian region.

NORDICS

Our Nordics business, Bigblu Norge, has a large in country footprint and has historically delivered strong EBITDA and Free Cash Flow. However, over recent years the performance of the region has proved a challenge as the Company's offering in the region suffered from high levels of customer churn due, in the Board's opinion to low broadband speeds and increased competition from fibre offerings as well as the loss of customers as the company demounted loss-making sites. The challenges experienced in the Nordic region in the period saw a reduction in both revenue and adjusted EBITDA. Total revenue from the Nordics for the year ended 30 November 2021 was £4.6m and adjusted EBITDA was £1.9m.

As previously announced, in order to address these challenges, the Group focused on upgrading its existing infrastructure including 55 towers so as to be able to offer speeds up to 100Mbps to over 1500 customers whilst also demounting 100 loss making sites. The Board believes that this demounting of loss-making sites will help the region to make great strides in improving its EBITDA. The Company ended the period on 9k customers in the region (FY20: 11k), which includes the loss of 4k customers as a result of the withdrawal of the loss-making demounted sites together with underlying growth of 2k customers.

The Board believes that it now has a clear plan in place to diversify the Company's customer offering in the Nordics and broader routes to market are expected to help drive customer growth. Through a distribution agreement with Telenor, we have started offering our new 5G Fixed Wireless product with speeds up to 500Mbps and unlimited data packages. Due to delays in equipment availability, this 'white-label' initiative is running approximately six months behind schedule and as a result, this new 5G Fixed Wireless product was launched during Q1 2022. The Board believes that this initiative will allow us to complete our strategy of delivering a high-quality broadband experience to all customers wherever they reside: we will deliver true wireless broadband to all end roads and rural areas. In addition, the Company continues to expand its offerings through partnerships and resellers, as well as reaching out to the Finnish and Swedish markets.

More recently, one of our Satellite network partners that has customers in the Ukraine was targeted by a cyber event caused by the terrible situation in Ukraine. This event has impacted c.3k of the Company's Norwegian satellite customers. Progress has been made in the resolution of the cyber event and the Nordic team are in regular dialogue with the network provider on solutions and timescales and also with our customers to ensure that they are supported as far as possible. However, should this not be resolved rapidly, a prolonged period without service may result in increased level of churn from the impacted customers.

Whilst these are near term difficulties to be addressed in the region, overall the Directors consider that the Group's ability to offer Fixed Wireless Access, satellite and 5G solutions in the Nordics means that there is potentially significant scope to expand its presence and reach in this region and create further shareholder value.

CHIEF EXECUTIVE REPORT (CONTINUED)

CONTINUING OPERATIONS PERFORMANCE

Net organic customer growth in 2021, was approximately 6k (excluding the 4k loss of customers in the Nordics following the demounted loss-making sites), resulting in a closing continuing customer base of 59k (FY20 57k).

Total revenue including recurring airtime and other income (equipment sales and installation sales) covering continuing operations for 12 months shows a solid underlying performance of £27.1m (FY20: £23.4m) with revenue growth of 15.8%. Revenue in satellite was £21.7m, up on prior year by 26% (FY20: £17.2m) due in the main to strong customer growth in Australasia. Revenue in fixed wireless was £4.6m, down on prior year by 27% (FY20: £6.2m) due to the demounting of the loss-making sites which is now complete in the Nordics. Recurring revenue, defined as revenue generated from the Group's broadband airtime, which is typically linked to contracts at £25.6m represented 94% of total revenue (FY20 £21.1m represented 89% of total revenue). Average Revenue Per User ("ARPU") increased 7% year on year to £39.30 (FY20: £36.65) due in the main to a higher percentage mix of larger packages across the regions. Average customer churn reduced fractionally to 21.3% (FY20: 21.7%).

Adjusted EBITDA for the period was £4.6m, showing a solid underlying performance, and representing an adjusted EBITDA margin of 17% compared to £4.1m in FY20 on a like for like basis and an adjusted EBITDA margin of 17%. This continues to demonstrate the good progress made in driving the quality of the consumer offering, the margin review work being undertaken and improving cost efficiencies. Importantly, the Group exceeded both its internal and market expectations for its revenue, EBITDA and Cash targets for Continuing Operations, despite the Global challenges posed by COVID-19.

DISCONTINUED OPERATIONS

QUICKLINE

In December 2020, Quickline won the competitive tender to provide significantly improved broadband speeds to premises across North Yorkshire. This was the fourth tender that Quickline had won under the BDUK Superfast Programme since August 2020 with the four broadband contracts being valued at around £30m.

Following an approach, the Group sold its majority holding in Quickline Communications ("Quickline") to global private markets investment firm Northleaf Capital Partners ("Northleaf") during the period. The Disposal valued BBB's shareholding in Quickline at up to £48.6 million, representing a return of up to 5.8x the cost of its investment over a three-year period.

The Group received £31.1 million in cash on completion, with up to a further £10.1 million payable as deferred contingent consideration that is subject to certain performance conditions being met by no later than 31 March 2022, or in certain circumstances, 31 May 2022.

In addition, the Group retained an interest in the new holding company structure, including both equity and loan notes, which was valued at the time of transaction at up to £7.4m.

As disclosed when the Disposal was announced, the deferred contingent consideration is dependent on achieving certain roll-out and subsidy milestones. Whilst progress is being made in scaling up the organisation in terms of people and systems, the continued global shortage of microchips affecting the supply of 5G radio equipment means that the milestones required to deliver the maximum amount due for the deferred contingent consideration are unlikely to be met in full, partially reducing the amount payable. The Board continues to work closely with Quickline to maximise the deferred contingent consideration payable to the Group.

ACCELERATING TECHNOLOGY EVOLUTION

PRODUCTS

Our fixed wireless business in the Nordics has benefitted from significant advances in technology, improving speeds and throughput by the recent investment made by the Group through an upgrading program which is now complete. In addition, the Nordics have entered the 5G market through an agreement with Telenor allowing the Group to promote a 'white-label' offering of self-install wireless broadband, which is a niche product and, although it has run approximately six months behind schedule, will allow the Group to target a far wider customer audience across Norway. Thanks to our partnerships on Satellite broadband access, we have also been able to stabilise our customer base allowing us to now have a good foundation for the launch of the next generation satellites over the next years.

Across Australasia, SkyMesh expects to be able to offer a fibre like service via Satellite from the sky, with 100 Mbps download speeds, <70 milli-second latency and unlimited data allowances across its key territories over the next couple of years with the launch of significant new satellite capacity. With the acquisition of Clear Networks there will also be an increased focus on the business market and expansion into the fixed wireless market with a view to combining satellite and fixed wireless technologies to offer high quality services to both the residential and business sectors in regional and remote areas.

MARKETING

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

We remain focused on helping governments in our current markets to achieve their targets of delivering ultrafast and gigabit capable broadband connections nationwide. We remain convinced that it will be difficult for governments to meet these challenging targets without the use of alternative technologies such as fixed wireless and satellite broadband. Indeed, many governments have already launched 'intervention schemes'. These are aimed at stimulating the market and educating consumers about the options available to them - given that fixed fibre broadband to the premises is unlikely to become a reality for many customers.

In Australia, SkyMesh commanded a 50% market share of net new adds under the Government funded NBNCo scheme during the last financial year. This performance has continued into Q1 FY22.

POST BALANCE SHEET EVENTS

We highlight the following post balance sheet events:

SKYMESH, AUSTRALIA

The Company completed the acquisition of customers and certain business assets from Clear Networks (Pty) Ltd ("Clear") in January 2022. Clear is an Australian ISP based in Melbourne offering a suite of NBNCo broadband products, as well as a private fixed wireless network serving primarily the greater Melbourne area. This acquisition has helped the company strengthen its presence in this area as SkyMesh looks to grow its presence across Australia. Clear has 2.2k customers (3k connections) which were acquired for an initial purchase price of AUS$2.4m (£1.3m) with a further maximum earn out potential of up to AUS$0.5m (£0.3m) being based on the total contract value of the sales pipeline delivered in the 12 months post completion.

CURRENT TRADING

The Group has positioned itself at the forefront of the alternative super-fast and ultrafast broadband industry in its chosen markets. The Group's product portfolio and expanding routes to market mean that it remains one of the largest and most recognised companies in the geographies where we are present.

During the current year to date, the Group has continued to show year on year growth while still benefiting from the strong visibility afforded by the high percentage of recurring revenues. Our Australasian operations are demonstrating robust year on year performance. As noted above, our Nordics business still has a number of headwinds to overcome including the cyber event on one of our Satellite network providers into the Nordic region which is impacting c.3k customers but with the new Management team in Norway we remain positive for the region. We believe we will continue to deliver Group year on year growth.

In the current environment, we continue to monitor potential impacts on the business of COVID-19, in which we continue to support staff and customers during these difficult times. We develop products and solutions with our network partners that will enable customers to operate as effectively as possible, particularly at a time where increasing numbers of customers are likely to be working from home, whether full time or part time.

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

Andrew Walwyn
CEO

21 March 2022

Financial Review

Strong growth with the Group exceeding both its internal and market expectations for Revenue, EBITDA and Cash targets for the Continuing Operations

FRANK WATERS
CFO

15.3%

Like for like revenue growth on a constant Currency basis

£4.6m

Adjusted EBITDA up 11% for the continuing Business (FY20: £4.1m)

£5.2m

Adjusted operating cashflow inflow (FY20: Outflow £0.4m)

£2.1m

Adjusted free cash flow inflow (FY20: Outflow £2.6m)

2021 was another significant year for the Group having exceeded both its internal and market expectations for its Revenue, EBITDA and Cash targets for Continuing Operations, despite the Global challenges posed by COVID-19.

In addition, the Group repaid all bank debt (£8.4m) and returned £26.1m to shareholders by way of a bonus issue of a new class of B shares, which the Company redeemed for cash in order to return 45 pence per Ordinary Share to Shareholders.

The focus of the Board now turns to creating additional shareholder value from the Continuing operations being our Australian operations (SkyMesh Pty Limited) and, our Nordics business (Bigblu Norge AS) (together, the “Continuing Group”). In addition, the Company also continues to hold a minority interest in Quickline following its disposal to Northleaf.

The disposal of the Group’s majority holding in Quickline to Northleaf, was agreed in April 2021 and completed in June 2021 after Shareholder approval. Northleaf are a global private markets investment firm with US$18 billion in private equity, private credit and infrastructure commitments under management. The consideration due to the Company following the Disposal was total cash of up to £41.2m of which £31.1m was paid on completion, with a further maximum £10.1m deferred contingent consideration that is subject to certain performance conditions being met by 31 March 2022, or in certain circumstances, 31 May 2022; and £5.6m being satisfied in shares (£2.2m) and Loan Notes (£3.4m at an interest rate of 4.5% pa) that were issued to the Group on completion and an additional award of Loan Notes (with an option to convert partially into equity) of up to £1.8m subject to the conditions of the deferred contingent consideration also being met.

At the time of the announcement of the Disposal, the Board of the Company made it clear that it would explore means of returning any surplus cash to shareholders within BBB’s current financial year. Following completion of the Disposal, and receipt of the initial cash consideration, the Company had outstanding gross debt of £8.4m and gross cash of approximately £41m.

After due and careful consideration of the investment requirements, and opportunities, of the Group, the Board announced the return of £26.1m in aggregate to Shareholders and chose to implement this as a return of capital through a bonus issue of a new class of B shares, which the Company redeemed for cash in order to return 45 pence per Ordinary Share to Shareholders. This transaction return of value was completed in October 2021 following shareholder approval.

In addition, the Company repaid the balance of all outstanding debt (£8.4m) and secured a new facility with its bank Santander, of £5m. As at 30 November 2021, this facility remained undrawn.

Given the strength of the balance sheet, the Board remains focused on delivering further increases in shareholder value from its Continuing Operations through organic growth, with the view of possible acquisitions in the territories we operate in. The financial review will therefore focus primarily on the performance of the Continuing Operations.

FINANCIAL REVIEW

TOTAL LIKE-FOR-LIKE RESULTS - INCLUDING CONTINUING AND DISCONTINUED OPERATIONS

Total revenue including recurring airtime and other income (equipment sales and installation sales) covering continuing operations for 12 months and discontinued operations to the date of disposal, was £30.3m (FY20: £27.2m).

Adjusted EBITDA covering continuing operations for 12 months and discontinued operations to the date of disposal was £5.3m (FY20: £4.6m), representing an adjusted EBITDA margin of 16.9% (FY20: 23.0%).

Depreciation, excluding ‘right of use assets’, decreased to £2.7m in FY21 from £5.6m in FY20 in line with the reduced scale of the continuing operations but reflecting increased investment in the Nordic region.

Amortisation reduced to £21k in FY21 from £1.6m in FY20 and related to the assets of the discontinued operations. FY20 included an impairment charge of £0.2m for our investment in JHCS which was fully integrated into the books and operations of Quickline.

Finance costs were £0.9m in FY21 (down £6.2m on FY20 (FY20: £7.1m), with £0.3m (FY20: £1.1m) relating to the revolving credit facility (RCF), £0.5m relating to the costs associated with the settlement of the £8.4m (being the write off of capitalised debt raise costs £0.5m on the original £30m RCF) debt repayment and £0.1m for lease interest (£0.1m related to the discontinued business). This reduction from FY20 was due to the repayment of the Company’s BGF redemption premium (£5.5m) following the refinancing.

FINANCIAL REVIEW (CONTINUED)

KEY PERFORMANCE INDICATORS FOR CONTINUING OPERATIONS

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

KPI	2021	2020	Description	2021 performance
Customer Base	**58,832**	57,215	Represents total gross organic connections plus acquisitions, less disposals, less lost customers (churn) and base management, including demounting	4.4% increase
Underlying Customer Net Organic Connections	**6,024**	6,161	Represents gross organic connections in the period less lost customers (churn) in the period. Excludes exceptional churn of 4.4k customers associated with the demounting program in Norway	Connections split c.4k Australia and c.2k Norway
Gross Underlying Churn	**21.3%**	21.7%	Gross underlying churn defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period and excludes exceptional churn in association with the demounting program in Norway	Slight decline in underlying churn. Underlying churn rate of 28.6% in Australia and 15.2% in Norway (39% in Norway Including demounting churn). Net churn (incl Norwegian demounting was 28.1% versus 21.7% in FY20)
ARPU	**£39.30**	£36.65	Calculated by dividing total revenues from all sources by the average customer base	Higher by 7.2% due to improved product mix and increased recurring revenues up 5% to 94%
Revenue	**£27.1m**	£23.4m	Like for like "LFL" revenue treat acquired/disposed businesses as if they were owned for the same period across both the current and prior year and adjusts for constant currency and changes in the commercials of the PPP contract and accounting treatment for Grants.	Total Revenue increased by 15.8%. LFL revenues in 2020 were £23.4m, after £0.1m of currency movements, resulting in a 15.3% increase LFL revenues of £3.5m on a constant currency basis.
Adjusted EBITDA	**£4.6m**	£4.1m	Earnings before share based payments, depreciation, intangible amortisation, impairment costs, acquisition costs, one-off employee related costs, deal related costs and start-up costs is the measure of the Group's operating performance. It evaluates performance without factoring in financing decisions, accounting decisions or tax environments or provisions for potential legal costs, share based payments, acquisition costs and fund-raising fees.	LFL EBITDA increase of 11.1% driven by organic revenue growth. EBITDA Margin % held constant at c 17% despite increased marketing spend of £0.4m
Adjusted Operating Cash Flow – Continuing Operations	**£5.2m**	(£0.4m)	Adjusted Operating cash flow relates to the amount of cash generated from the Group's operating activities and is calculated as follows: Profit/(Loss) before Tax adjusted for Depreciation, Amortisation, Share Based Payments and adjusting for changes in Working Capital and non-cash items.	Adjusted Operating cash inflow due to increased EBITDA, and improvement in Working capital

KPI	2021	2020	Description	2021 performance
Adjusted Free Cash Flow – Continuing Operations	**£2.1m**	(£2.6m)	Cash (used)/generated by the Group after investment in capital expenditure and servicing debt.	Adjusted Free Cash Flow improved in year following improvements in EBITDA and working capital. There was capital expenditure in the year of £2.2m to support the upgrading projects in Norway
Basic EPS	**46.9p**	16.8p	Basic Earnings per share (EPS) is the portion of the Continued and discontinued business's profit (£27.0m) divided by the weighted average number of shares.	Reflects gain on disposal of majority interest in Quickline to Northleaf, together with improved underlying trading
Adjusted EPS	**4.3p**	1.9p	Adjusted Earnings per share (EPS) is the Continuing business's profit after tax (£2.5m) before exceptional costs divided by the weighted average number of shares.	Improved due to underlying trading performance and lower underlying interest and taxation

Total customers at the period end including in flight customers for continuing operations were 59k (FY20: 57k). During the year we delivered underlying 6k net adds (FY20: 6k) This is summarised as follows:

	FY21 000	FY20 000	Comments
Opening base	**57.2**	**51.1**	
Inflight customers	1.3	1.0	30.0% increase
Gross Adds	19.1	18.0	6.1% increase
Churn	(14.4)	(12.9)	11.6% increase
Underlying Net Growth	**6.0**	**6.1**	
Exceptional churn	(4.4)	0.0	
Closing Base	**58.8**	**57.2**	

Underlying churn rates (defined as the number of subscribers who discontinue their service as a percentage of the average total number of subscribers within the period) decreased to an average annualised churn rate of 21.3% in FY21 (FY20: 21.7%), before exceptional churn of 4.4k.

In our Nordics business underlying churn was 15.2% (39% including exceptional demounted customers). (FY20: 34.8%).

In our Australian business underlying churn was 28.6% (FY20: 20.3%) due to a number of technical challenges on the Skymuster plus product which we are working with NBNCo on resolving.

In the first three months of FY22, underlying churn has reduced, and importantly we are starting to roll out next generation products in Australia, New Zealand and Norway.

FINANCIAL REVIEW (CONTINUED)

CONTINUING OPERATIONS – REVENUE

Total revenue including recurring airtime and other income (equipment sales and installation sales) for continuing operations for the period increased by £3.7m (16%) to £27.1m (FY20: £23.4m). Total revenue on a like-for-like constant currency basis increased in the year by 15.3%, (FY20: increase 4.3%) as the Group continued to add customers during the year with higher ARPU.

ARPU, calculated by dividing total revenues from all sources by the average customer base, in 2021 was £39.30 per month (FY20: £36.65) due to higher revenues, specific to the Skymuster Plus products in Australia.

Revenue in the period from satellite was £21.7m (FY20: £17.2m) which reflected continued strong organic growth in our Australian business, and revenue from fixed wireless reduced to £4.6m (FY20: £6.2m), due to the known challenges faced in the period by our Nordics fixed wireless businesses including the demounting of loss-making mast infrastructure.

Recurring revenue, defined as revenue generated from the Group's broadband airtime, which is typically linked to contracts and monthly subscriptions, was £25.6m in the period, representing 94% of total continuing revenue (FY20 £21.1m representing 89% of total revenue).

CONTINUING OPERATIONS – MARGINS AND PROFITABILITY

Gross profit margins remained materially in line with previous year at c.45%. (FY20: c.46%)

Distribution and Administrative Expenses, pre-exceptional costs, increased to £9.2m (FY20: £8.4m) due to increased headcount costs and marketing costs. Post items identified as exceptional in nature, these expenses increased to £13.1m (FY20: £8.6m) representing 48.2% of revenue (FY20: 36.5%) due to specific deal related and operational exceptional costs.

Adjusted EBITDA increased 11% for the period at £4.6m representing an adjusted EBITDA margin of c17% compared to £4.1m in FY20 and an adjusted EBITDA margin of c17%.

CONTINUING OPERATIONS ANALYSIS

A reconciliation of the adjusted EBITDA to adjusted PAT of £2.5m (FY20: £1.1m profit) is shown below:

	Note	2021 £000	2020 £000
Adjusted EBITDA	1	**4,577**	**4,126**
Depreciation	2	(1,390)	(1,335)
Amortisation	3	-	(18)
Adjusted EBIT		**3,187**	**2,773**
Share based payments		**(163)**	**(332)**
Continuing Operations operating profit – pre-exceptional items		**3,024**	**2,441**
Exceptional items relating to M&A and restructuring activities	4	(3,922)	(158)
Continuing Operations Statutory operating (loss) / profit – post exceptional items		**(898)**	**2,283**
Adjusted EBIT		**3,187**	**2,773**
Underlying interest	5	(798)	(1,397)
Tax credit / (charge)	6	76	(262)
Adjusted PAT		**2,465**	**1,114**

GROUP STATUTORY RESULTS AND EBITDA RECONCILIATION

1. Adjusted EBITDA (before share based payments, depreciation, intangible amortisation, impairment of goodwill, refinancing, fundraising, acquisition, employee related costs, deal related costs and start-up costs) improved 11% to £4.6m (FY20: £4.1m).

2. Depreciation increased to £1.4m in FY21 from £1.3m in FY20 due to the capitalisation of the upgrading project in Norway (£1.9m) and IT systems setup in Australia (£0.2m)

3. Underlying amortisation reduced to Nil from £18k in FY20 as a result of historic acquisitions being fully written down. During the year we undertook a full review of carrying value of Goodwill, with the review resulting in no requirement for an impairment.

4. The Group incurred expenses in the period, that are considered exceptional in nature and therefore appropriate to identify. These comprise:

   a. £2.0m (FY20: £0.3m) of acquisition, deal, legal and other costs relating to M&A and restructuring activities during the period. These costs comprise mainly professional and legal fees.

   b. £0.4m (FY20: £0.1m credit release of overprovision) employee restructuring costs primarily in the Nordics.

   c. £0.6m (FY20: £nil) associated with the cost of the demounting program in Norway

   d. £0.8m costs related to the return of capital to shareholders

   e. £0.1m setup costs for the New Zealand operations

5. The interest charge in the year related to the RCF facility with Santander (£0.7m) and lease liabilities (£0.1m). In FY22 we expect the interest charge to be materially lower on the existing facility.

6. The tax credit relates to our Australia business SkyMesh charge of £0.2m, and a deferred tax adjustment in our Norwegian business BB Norge of £0.3m

Customers Connections, Revenue, Adjusted EBITDA in FY21 and the comparative period for continuing operations is segmented by the following categories as follows:

	Customer Connections				Revenue			Adjusted EBITDA		
	2021 Number 000's	2021 %	2020 Number 000's	2020 %	2021 £m	2020 £m	Ch %	2021 £m	2020 £m	Ch %
Australia	49.7	84%	46.0	80%	21.8	16.6	31%	4.0	2.8	43%
Norway	9.1	16%	11.2	20%	4.6	6.3	(27%)	1.9	2.9	(34%)
Pre-Central	58.8	100%	57.2	100%	26.4	22.9	15%	5.9	5.7	4%
Central Revenue and Costs[1]	-		-		0.7	0.5	40%	(1.3)	(1.6)	(19%)
Total	**58.8**	**100%**	**57.2**	**100%**	**27.1**	**23.4**	**16%**	**4.6**	**4.1**	**11%**

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

Customer Connections by Technology

	2021				2020			
	Satellite 000's	Fixed Wireless 000's	Total 000's	%	Satellite 000's	Fixed Wireless 000's	Total 000's	%
Australia	42.4	7.3	49.7	84%	40.1	5.9	46.0	80%
Norway	1.6	7.5	9.1	16%	2.3	8.9	11.2	20%
Total	**44.0**	**14.8**	**58.8**	**100%**	**42.4**	**14.8**	**57.2**	**100%**

FINANCIAL REVIEW (CONTINUED)

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

1 Australasia

a. Strong organic customer net growth of 3.7k (Underlying 4.0k before exceptional churn of 0.3k due to product issues with the Skymuster Plus impacting churn) over the course of the year

b. The increase in revenue of £5.2m was a result of the continued organic growth in customer numbers and an improved APRU

c. Importantly, EBITDA improved by 43% following continued cost efficiencies across the company.

2 Norway

a. Net underlying customers growth was 2.0k before exceptional churn of 4.1k customers associated with the demounting and cancellation of loss-making masts and contracts.

b. Consequently, revenue in the year reduced £1.7m due to the loss of these customers.

c. Notwithstanding the above, adjusted EBITDA reduced by only £1.0m in the year due to strict overhead cost controls implemented during the year.

3 PLC

a. Revenue was 40% higher at £0.7m due to the support services

b. With lower costs this resulted in EBITDA losses improving by 19% at £1.3m.

CASHFLOW PERFORMANCE – CONTINUING OPERATIONS

Adjusted Free Cash Flow in the year before exceptional items and M&A activities undertaken by the Group was an inflow of £2.1m (FY20: outflow £2.6m). This reflects improved EBITDA and working capital management offsetting increased capital investment.

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

	Note	2021 £000	2020 £000
Adjusted EBITDA		**4,577**	**4,126**
Release of Grant	1	-	(144)
Underlying movement of working capital	2	1,742	(3,227)
Forex and other non-cash items	3	(1,085)	(1,111)
Adjusted operating cash inflow/(outflow) before interest, tax Capex and exceptional items	4	**5,234**	**(356)**
Tax and interest paid	5	(906)	(1,262)
Purchase of Assets	6	(2,208)	(954)
Adjusted free cash inflow/(outflow) before exceptional and M&A items		**2,120**	**(2,572)**
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	7	(3,922)	(156)
Free cash outflow after exceptional and M&A items		**(1,802)**	**(2,728)**
Investing activities	8	31,041	37,222
Movement in cash from discontinued operations	9	(2,209)	(2,029)
Movement in working capital from discontinued operations	10	(2,339)	(3,885)
Financing activities	11	(34,796)	(19,263)
(Decrease) / Increase in cash balances		**(10,105)**	**9,317**

1. Release of deferred grant income to revenue in the year £nil (FY20: £0.1m)

2. Underlying movement in working capital was an inflow of £1.7m (FY20: outflow £3.2m). Working capital benefitted from increased creditor terms and deferred payment of creditors whose invoices received just prior to the year end.

3. Forex and non-cash inflow of £1.1m (FY20: Outflow £1.1m) relate to the exchange movement in the Condensed consolidated statement of comprehensive income and the Condensed consolidated statement of financial position, as well as costs/ income where there is no impact on operating cashflow.

4. This resulted in an adjusted operating cash flow before Interest, Tax, Capital expenditure and Exceptional items of £5.2m inflow (FY20: £0.4m outflow), and an adjusted operating cash flow to EBITDA conversion of 114% (FY20: negative 5%).

5. Tax and interest paid was £0.9m (FY20: £1.3m) on a like-for-like basis. This covers interest on the RCF facility (£0.4m) and monthly taxation paid by our Australian business (£0.5m). Final corporation tax calculations for the financial year show year on year tax savings in excess of £0.8m with a refund of £0.2m due on the tax paid in the year following substantial investment.

6. Purchases of assets in FY21 were £2.2m. These purchases included the fixed wireless investment in Norway of £1.6m, installations and IT costs of £0.5m and other £0.1m

7. Exceptional items relating to M&A and restructuring costs of £3.9m as disclosed on pages 14 and 15 (FY20: £0.2m)

8. Sale proceeds from the disposal of subsidiaries were £31.1m cash (excluding consideration satisfied by equity investments) less the purchase of intangibles (£0.1m), compared to £37.2m in FY20.

9. Relates to cash of £2.2m (FY20: £2.0m) retained by the disposed entities in the year

10. Represents the movement in the Group’s working capital due to the deconsolidation of the disposed businesses.

11. In FY21 the major financing activities included the return of capital to shareholders of £26.1m outflow, the repayment of the Santander RCF facility £8.4m together with £0.8m lease principal payments, offset by the issuance of shares from the exercise of options generating an inflow of £0.4m. For FY20 the outflow of £19.3m comprised the:

    - draw down of £29.4m from the RCF with Santander relating to a refinancing of external debt, to repay the HSBC plc RCF (£8.25m) and BGF Loan Notes (£12.0m). A further £21m was repaid to Santander after disposal of the subsidiaries.
    - £2.0m, net, was received from further investment by the non-controlling interests of Quickline.
    - The principal element of lease payments was an outflow of £1.4m
    - The payment of the BGF redemption premium was an outflow of £5.5m
    - The payment of the BGF penalty interest was an outflow of £1.2m

FINANCIAL REVIEW (CONTINUED)

NET DEBT TO NET CASH RECONCILIATION

	2021 £000	2020 £000
Opening Net Cash / (Debt)	**7,419**	**(14,198)**
Loss after tax from Continuing operations	(1,620)	(4,213)
Interest charge	798	6,835
Depreciation	1,390	1,335
Amortisation	-	18
Tax (credit) / charge	(76)	262
Share Based payments	163	332
Exceptional costs	3,922	157
Adjusted EBITDA	**4,577**	**4,126**
Release of Grants	-	(144)
Forex movement and other non-cash	(1,085)	(1,111)
Movement in Working Capital	1,742	(3,227)
Cash inflow/(outflow) from Continuing operations	**5,234**	**(356)**
Interest paid	(411)	(1,186)
Tax paid	(495)	(76)
Underlying inflow/(outflow) from Continuing operations	**4,328**	**(1,618)**
Purchase of Assets	(2,208)	(954)
Adjusted inflow/(outflow) Continuing operations Free Cash Flow	**2,120**	**(2,572)**
Exceptional items relating to refinancing, fundraising, M&A, integration and the establishment of network partnerships	(3,922)	(156)
Adjusted free cash outflow after exceptional and M&A items	**(1,802)**	**(2,728)**
Investment activities (Pre cash used and retained by Discontinued operations)	31,041	37,222
Movement in working capital from discontinued operations	(2,339)	(3,885)
Financing activities	(34,796)	(19,263)
Movement in Cash from Continuing operations	**(7,896)**	**11,346**
Outflow in cash from Discontinued operations	(2,209)	(2,029)
Movement in Net Cash	**(10,105)**	**9,317**
Decrease in Debt	**7,887**	**12,300**
Closing Net Cash	**5,201**	**7,419**

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

	2021 £000	2020 £000
Opening Net Cash / (Debt)	**7,419**	**(14,198)**
(Increase) / decrease in loans: offset in financing activities		
Facilities Received	-	(29,400)
Facilities Repaid	7,887	41,700
Cash outflow from operating activities	(1,640)	(5,670)
Cash generated from investing activities	22,591	26,646
Cash used from financing activities	(31,056)	(11,659)
Movement in Net Cash	**(2,218)**	**21,617**
Closing Net Cash	**5,201**	**7,419**
Composition of closing net debt		
Net cash and cash equivalents	5,201	15,306
Bank loans	-	(7,877)
Other loans	-	(10)
Net Cash	**5,201**	**7,419**
Net Cash		
Net cash and cash equivalents	5,201	7,419
Discontinued operations cash	-	(2,209)
Adjusted net cash	**5,201**	**5,210**
Adjusted Net Cash (Debt) / Adjusted EBITDA	**1.13x**	**1.26x**
Adjusted Net Cash (Debt) inc IFRS16 / Adjusted EBITDA	**0.82x**	**0.59x**

Net cash reduced from £7.4m in FY20 to a net cash position of £5.2m, a reduction of £2.2m in the year, as detailed in the net cash/(debt) reconciliation above and after the repayment of the debt (£8.4m) and the return of Capital (£26.1m)

The table above excludes the lease liabilities of £1.4m (FY20: £2.7m). Including this amount would give a total adjusted net cash of £3.8m (FY20: Adjusted net cash £2.5m) and a ratio of adjusted net cash to adjusted Group EBITDA before IFRS 16 of 0.82x (FY20: Adjusted net cash 0.59x).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

There was a step change in the balance sheet following

- The performance in the year with increased Revenue (£27.1m) and EBITDA (£4.6m)
- The disposal of the Group's UK fixed wireless operations to Northleaf for an initial consideration of £31.1m and the removal of the non-controlling interest
- The return of capital (£26.1m) and the repayment of the debt with Santander (£8.4m)

Fixed Assets reduced in the year to £4.1m (FY20: £10.9m), following the sale of assets within the discontinued business (£6,9m net of purchases) and the purchase of new fixed assets (£2.2m), less disposals (£0.6m), and adjusted for depreciation provided in the year (£1.4m) and foreign exchange movements (£0.1m).

FINANCIAL REVIEW (CONTINUED)

Intangible Assets decreased to £5.6m (FY20: £12.0m) following the sale of the discontinued business and underlying amortisation of Nil in FY21 (FY20: £0.1m). Following a review in FY21 there was no requirement for an impairment of the carrying value of the Company's goodwill.

Goodwill and Amortisation

	FY21 £000	FY20 £000
Underlying Amortisation	-	18
Reported Amortisation	-	18

WORKING CAPITAL

Inventory days increased to 13 days (FY20: 11 days) as we purposefully increased stock holdings in Norway to support the "Whitelabel" offering from December 2021 given global shortages which has continued into FY22. This accounted for 4 days.

Debtor days decreased to 7 days (FY20: 11 days) following improved collections.

Creditor days increased to 81 days (FY20: 73 days) due to agreed revised extended payment terms with suppliers where setting up new operations.

EARNINGS PER SHARE

As a result of the material exceptional profit, and non-underlying costs in the year as detailed above, the Group delivered a basic profit per share of 46.9p (2020: basic profit per share of 16.8p) and fully diluted profit per share of 46.4p (2020: fully diluted profit per share of 16.6p). Adjusted earnings per share (before exceptional items) was a profit per a share of 4.3p (2020: profit per share of 1.9p).

	FY21	FY20
Basic earnings per share	46.9p	16.8p
Diluted earnings per share	45.6p	16.6p
Basic adjusted earnings per share	4.3p	1.9p

BASIC EPS AND STATUTORY EPS

Basic EPS improved to a profit of 46.9p per share in FY21 from a profit of 16.8p in FY20, largely due to the sale of the discontinued businesses in FY20 and FY21.

DILUTED EPS

Diluted EPS is a calculation used to gauge the quality of a company's earnings per share (EPS) if all share options are exercised. Diluted EPS improved to a profit of 45.6p per share in FY21 from a profit of 16.6p in FY20

BASIC ADJUSTED EARNINGS PER SHARE

Basic EPS improved to a profit of 4.3p per share in FY21 from a profit of 1.9p in FY20, largely due to the improved performance of the Continuing businesses.

STREAMLINED ENERGY AND CARBON REPORTING

Large UK companies are required to report their levels of greenhouse gases (GHG) emissions in their annual report and accounts. This obligation is for Scope 1 (direct) and Scope 2 (indirect) emissions, only to the extent that emissions are the responsibility of the Company. Direct emissions originate from combustion of natural gas and fleet vehicles, whilst indirect emissions are based on purchased electricity. Scope 3 emissions are included below only to the extent that the Company is responsible for purchasing the fuel.

Emissions are calculated following the UK Government GHG Conversion Factors for Group Reporting 2020 and UK Government Environmental Reporting Guidelines. Emissions are based on the Group's UK sales and operations. An intensity ratio of carbon dioxide equivalent (CO2e) per £1m of revenue has been selected which will allow a comparison of performance over the time and with other similar types of businesses. The data below represents the GHG emissions from the UK disposal Quickline for the period up to the 10 June 2021 and shows a 36% reduction in the selected intensity rate compared to the previous year. Continuing UK operations comprising only central and head office functions emit less than 40MWh and are regarded as a low energy user. Accordingly, no emission or energy consumption figures for the Company are included in the following table.

	2021 Tonnes CO2e	2020 Tonnes CO2e
Source of Emissions		
Direct Emissions – Scope 1 – Gas and Vehicle fleet	113	193
Indirect Emissions – Scope 2 – Electricity	3	10
Indirect emissions – Scope 3 – Employee cars	-	5
Gross Emissions	**116**	**208**
Turnover – UK discontinued operations £m	3.2	3.7
Tonnes CO2e per £1m of revenue	35.6	55.6
Energy consumption used to calculate emissions – MWh	846	469

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

ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed and adopted for use in the EU. There have been no changes to IFRS standards this year that have a material impact on the Group's results. No forthcoming new IFRS standards are expected to have a material impact on the financial statements of the Group.

DIVIDEND

The directors do not recommend the payment of a dividend (2020: £Nil)

GOING CONCERN

The Directors have prepared and reviewed projected cash flows for the Group, reflecting its current level of activity and anticipated future plan for the next 12 months, from the date of signing, and post the disposal of the UK Fixed Wireless business in June 2021. The Group is currently loss-making, before the gain on the sale of the discontinued business, mainly as a result of amortisation and exceptional charges. The business continues to grow customer numbers and revenue in key target markets and continues to monitor the short-term business model of the Group.

The Board have identified the key risks and these include

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

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

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

FINANCIAL REVIEW (CONTINUED)

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

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

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

On behalf of the Board

Frank Waters

Frank Waters
Chief Financial Officer

21 March 2022

Principal Risks and Uncertainties

The Board and management regularly review and monitor the key risks involved in running and operating the business. The future success of the Group is dependent on the Board's ability to implement its strategy. The model for the future development of the Group is reliant on its ability to achieve a critical mass of customers either through organic Satellite Customers growth, building infrastructure for Fixed Wireless and 5G Customers, and its ability to derive revenue from these customers by providing excellent technical support, a value-added customer service, solution delivery and operational gearing. The table below sets out a number of the material risks together with relevant mitigating factors, with the risk rating explained on page 25.

Risk	Description	Mitigation	Risk Rating
Dependence on satellite owners and satellite infrastructure for capacity and key contract terms	The Group is dependent on its ability to purchase broadband capacity from satellite owners in Australasia and the Nordics. The terms upon which satellite owners sell such capacity may change to the Group's detriment and the Group may not be able to secure capacity from the satellite owners with which it currently deals. The Group's current contractual agreements with the satellite owners are typically non-exclusive, are terminable immediately or within a short timeframe of giving notice, do not contain restrictive covenants which would prevent the satellite owners from directly competing with the Group and do not contain express provisions obliging them to continue providing services to the Group, its governments partners and consequently its revenues, its operational results and its prospects.	The Board is in regular dialogue with network providers to ensure appropriate capacity exists in Australasia and Nordics at an affordable price. New satellites and capacity changes from time to time, so it is vital the relationship with the satellite owners, both in Australasia and the Nordics, continues to prosper. The Board work closely with satellite owners, as partners, to develop short, medium and longer-term sales plans, target opportunities and markets. This close working relationship ensures that our activities are goal congruent with our service providers and our value add to their business is well understood.	Medium 6
Dependence on satellite infrastructure	In the event of the failure of a satellite, the Group may not be able supply broadband access to parts of its customer base, which would have an adverse impact on the Group's relationship with its customers and its revenues, its operational results, and its prospects.	Service level agreements exist with satellite operators whose satellites are used with mission critical businesses. Newer satellites can steer beams.	Medium 9
Acquisitions	The Group believes there is an opportunity to continue acquisition of customers by way of accretive bolt-ons in existing markets. The Group intends to conduct appropriate due diligence in respect of acquisition targets and to identify any material issues that may affect the decision to proceed with the purchase or give cause for concern post acquisition in terms of performance or liabilities identified subsequent. During the due diligence process the Group is only able to rely on the information that is available to it. That information may not be accurate or remain accurate during the due diligence process. Any of these outcomes may have a material adverse effect on the Group's business, financial condition, or results of operations.	Roll up strategies are inherently risky. This risk is mitigated as far as possible by working closely with existing management teams, professional advisors and network operators to reduce the risks during the acquisition stage. In addition, dedicated resources are deployed internally to support the due diligence process and to on-board the businesses into the Group and further enhance our operating system capabilities to reduce on going risk.	Low 3
Competition from existing/ emerging alternative technologies	There may be competition from existing and emerging alternative technologies, such as 4G, 5G, Space X, fibre to the premises, improved versions of the wide area radio network or mesh radio technologies. In the event that such technologies become widely available, the Group's subscriber base, revenues, results from operations and prospects may be adversely affected.	The Board recognises this risk and seeks to mitigate it by regular dialogue in the marketplace with other solution providers to ensure the Group's offering is adjusted accordingly to meet the market demands and changing landscape	Medium 9
Government policy and increased investment in fibre roll-out	Given the importance of digital connectivity to the economy, it may be the case that many governments further invest in fibre roll-out thus reducing the market size for satellite and wireless broadband.	Government announcements in Australia indicate support will be continue to be provided for satellite and wireless providers. We remain confident this will continue within the jurisdictions in which we operate.	Medium 6

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Risk	Description	Mitigation	Risk Rating
System reliance	The Group believes the proprietary technology platform, Pathfinder, built on Microsoft technology is a key contributor to the operational success of the business as well as the more localised systems. In the event of a system failure of the platform or any other technology or system operated by a third-party, short-term operations would be affected adversely.	Continued and sustained development and testing of the existing systems is undertaken regularly. Enhancements are rolled out during the course of the year to reduce risks.	Medium 8
Dependence on key executives	The performance of the Group will depend heavily on its ability to retain the services of the Board and to recruit, motivate and retain further suitably skilled personnel. The loss of the services of key individuals may have an adverse effect on the business, operations, customer relationships and results.	The Board will continue to ensure that the management team are appropriately incentivised and that there is scope to appropriately incentivise new key personnel where required. The Group operates various share option schemes and management incentive plans which enables employees to benefit from continued growth and delivering shareholder returns. It also ensures that the management team, staff and shareholders objectives are aligned.	Medium 9
Fraud, including cyber attacks	As a provider of broadband solutions, the Group is a potential target and products may have vulnerabilities that may be targeted by attacks specifically designed to disrupt the Group's business and harm its reputation. If an actual or perceived breach of security occurs in the Group's internal systems, it could adversely affect the 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.	The Group have technical staff including outside specialist contractors who focus on investigation and mitigation of risks related to fraud and cyber-attacks.	Medium 8
Ineffective Control environment	The financial performance of the Group depends on operating within a robust control framework. The breaching of this environment would result in loss to the business as well as risks associated with reputation.	Biannual review undertaken of key risk areas by consultants as appropriate	Medium 6
COVID-19 and similar	Global responses to the coronavirus disease (COVID-19) continue to rapidly evolve. COVID-19 has already had a significant impact on global financial markets, and it will have implications for many businesses including BBB. Some of the key risks that could impact on the BBB group include, but are not limited to: Supply chain disruptions, unavailability of personnel, delays in sales or installations, earnings, or cash generation. Delays in planned business expansions and the launching of new products. In addition, BBB is aware of the risks posed by the increasingly broad effects of COVID-19 because of its negative impact on the global economy and major financial markets.	The BBB Board and Management has considered the effects using the best possible information currently available and the Government guidance given in each jurisdiction of Continuing Operations and has taken precautionary measures which include the testing and enforcement of • Home working, self-isolation • Integrated telephony systems • Business continuity We carefully consider any unique circumstances and risk exposures in our business units when analysing how recent events may affect their financial reporting. Specifically, as appropriate we include comments in our reporting and related financial statement disclosures to convey material effects of COVID-19.	Medium 6
Force majeure	The Group's operations now or in the future may be adversely affected by risks outside its control, including space debris damaging or destroying satellites, labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics, or quarantine restrictions.	This continues to be monitored by the Board with our professional advisors, satellite and wireless operators and insurance specialists.	Medium 6

Risk	Description	Mitigation	Risk Rating
Foreign Exchange Rate Volatility	The geographic spread of the Group means that financial results are affected by movements in foreign exchange rates, with only 2% of the Group's revenue currently being generated in Sterling. The risk presented by currency fluctuations may affect business forecasting and create volatility in the results and cash holdings.	The Group monitors foreign exchange exposure regularly and, when a transactional exposure is not covered through a natural hedge, consideration will be given in entering into a hedge arrangement such as forward contracts and Options.	Medium 6
General economic conditions	Market conditions, particularly those affecting telecoms and technology companies may affect the ultimate value of the Group's share price, regardless of operating performance. The Group could be affected by unforeseen events outside its control, including, natural disaster, terrorist attacks and political unrest and government legislation or policy. Market perception of telecoms and technology companies may change which could impact on the value of investors' holdings and impact on the ability of the Group to raise further funds. General economic conditions may affect exchange rates, interest rates and inflation rates.	This continues to be monitored by the Board with our professional advisors.	Medium 9

Severity

Probability	5 Catastrophic	4 Critical	3 Moderate	2 Marginal	1 Negligible
5 Frequent	25 High	20 High	15 Serious	10 Serious	5 Medium
4 Probable	20 High	16 Serious	12 Serious	8 Medium	4 Medium
3 Occasional	15 Serious	12 Serious	9 Medium	6 Medium	3 Low
2 Remote	10 Serious	8 Medium	6 Medium	4 Medium	2 Low
1 Improbable	5 Medium	4 Medium	2 Low	2 Low	1 Low

Likelihood

1. Improbable (unlikely to occur)
2. Remote (unlikely, though possible)
3. Occasional (likely to occur occasionally during standard operations)
4. Probable (not surprised, will occur in a given time)
5. Frequent (likely to occur, to be expected)

Severity

1. Negligible (the risk will not result in serious corporate disruption, or has a remote possibility of loss)
2. Marginal (the risk could cause corporate disruption, or loss but its effects would not be serious)
3. Moderate (the risk can result in corporate disruption or loss)
4. Critical (the risk can result in corporate disruption or loss)
5. Catastrophic (the risk is capable of causing serious corporate disruption and or loss)

CORPORATE RESPONSIBILITY

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

The Strategic Report was approved by the Board of Directors on 21 March 2022 and was signed on its behalf by:

Andrew Walwyn
CEO

21 March 2022

Section 172 (1) Statement

FOR THE YEAR ENDED 30 NOVEMBER 2021

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

CONSEQUENCES OF ANY DECISIONS IN THE LONGER-TERM

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

The directors take into account the views and interests of a wider set of stakeholders, and you can find out more about how the Group engages with its stakeholders below and on pages 38, 39 and 44. During the year the Board and its committees received papers, presentations and reports, participated in discussions and considered the impact of the Group's activities on its key stakeholders (wherever relevant). We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders and the Board frequently has to make difficult decisions based on competing priorities. By considering the Group's purpose and values together with its strategic priorities and having a process in place for decision making, we do, however, aim to balance those different perspectives.

IN TERMS OF PARTICULAR STAKEHOLDER GROUPS

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

HOW DOES THE BOARD ENGAGE WITH STAKEHOLDERS?

The Board will sometimes engage directly with stakeholders on certain issues such as remuneration schemes, strategic direction, investment and fundraising issues. The Board considers information from across the organisation to help it understand the impact of the Group's operations, and the interests and views of our key stakeholders in maximising shareholder value. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance. As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enable the directors to comply with their legal duty under section 172 of the Companies Act 2006. For details on how the Board operates and the way in which the Board and its committees reach decisions, including the matters we discussed during the year, see pages 39 to 45.

KEY STRATEGIC DECISIONS

Decisions taken by the Board and its committees consider the interests of our key stakeholders, the impacts of these decisions and the need to foster the Group's business relationship with customers, suppliers and other stakeholders, as well as engagement with our employees. Papers submitted to the Board consider the impact on key stakeholders. Directors have had regard to the matters set out in section 172(1) (a)-(f) of the Companies Act 2006 when discharging their section 172 duties. The following are some of the decisions taken by either the Board or its committees during the year and the considerations given to stakeholder interests and impacts:

DISPOSAL OF FIXED WIRELESS OPERATIONS IN THE UK

As part of the Board's decision to dispose of our Fixed Wireless operations in the UK, which was completed on 10 June 2021, the Board took into consideration a number of stakeholders, including: our investors both institutional and retail, our colleagues who were participants in certain EMI schemes and LTIP's and our customers to ensure that they received the most appropriate products in the near and long-term at the most appropriate prices. In addition, we repaid out debt of £8.4m and reduced the RCF with Santander to £5m, which will allow us to invest greater amounts in the continuing businesses.

DIRECTORS' REMUNERATION POLICY

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

Directors' Report

FOR THE YEAR ENDED 30 NOVEMBER 2021

The Directors present their report together with the audited financial statements for the year ended 30 November 2021.

RESULTS AND DIVIDENDS

The results include those of BBB PLC and its subsidiaries for the full year including continued and discontinued activities and are set out in the financial statements on pages 57 to 96.

The Directors do not recommend the payment of a final dividend for the financial year ended 30 November 2021.

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year are set out below, together with their beneficial interests in the ordinary shares of the Group. Biographical details are included on pages 33 to 35.

	Appointed	2021 Ordinary shares of 15p each	2021 Share options	2020 Ordinary shares of 15p each	2020 Share options
Michael Tobin	29 Sept 2015	489,823	-	236,553	226,667
Andrew Walwyn	12 May 2015	3,294,004	350,790	2,968,438	954,729
Frank Waters	12 May 2015	325,090	326,766	325,090	585,908
Paul Howard	29 Sept 2015	149,577	133,333	149,577	133,333
Christopher Mills*	23 May 2018	258,334	-	258,334	-
Philip Moses	21 May 2020	-	-	-	-
Total		**4,516,828**	**810,889**	**3,937,992**	**1,900,637**

* Mr Christopher Mills also has an indirect interest in a further 14,500,000 shares in the Group (through his interests in Oryx International Growth Fund Limited, Harwood Capital LLP and North Atlantic Smaller Companies Investment Trust). His total indirect and direct holdings is 14,758,334 shares representing 25.3% of the issued share capital.

As at the 30 November included in the above were 578,742 Share options vested but remaining unexercised.

DIRECTORS' INSURANCE AND INDEMNITIES

The Group maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors. In accordance with section 236 of the Companies Act 2006, qualifying third- party indemnity provisions are in place for the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. Both the insurance and indemnities applied throughout the financial year ended 30 November 2021 and through to the date of this report.

DIRECTORS SHARE OPTIONS

The Group has established an EMI option scheme and an 'unapproved' share option scheme, pursuant to which the CEO and other members of staff have been or may be granted share options.

As explained in the Company's 6 September 2021 circular to shareholders, adjustments were made to all options granted under the above schemes that were outstanding at the time the return of value detailed in that document became effective. In particular, the exercise price payable under those options was reduced by 45 pence per share (being an amount equal to the return of value).

Details of the options that have been granted to Directors under the EMI and unapproved schemes and which were outstanding during the year to 30 November 2021, are as follows:

Director	Scheme	Date of grant	No. of shares under option at 30 November 2020	Exercise price (pence) per share at 30 November 2020	Exercised during the year	No. of shares under option at 30 November 2021	Exercise price (pence) per share at 30 November 2021 (or date of exercise if earlier)[2]	Normal expiry date
Michael Tobin	Unapproved	30/03/16	133,333	78.75	133,333[3]	-	78.75	N/A
Michael Tobin	Unapproved	21/12/16	93,333	114.45	93,333[3]	-	114.45	N/A
Andrew Walwyn	EMI	17/03/16	233,333	78.75	233,333[4]	-	33.75	N/A
Andrew Walwyn	EMI	21/12/16	51,942	114.45	-	51,942	69.45	21/12/26
Andrew Walwyn	Unapproved	21/12/16	48,057	114.45	48,057[4]	-	69.45	N/A
Frank Waters	EMI	21/12/16	217	114.45	-	217	69.45	21/12/26
Frank Waters	Unapproved	21/12/16	86,450	114.45	-	86,450	69.45	21/12/26
Paul Howard	Unapproved	30/03/16	66,667	114.45	-	66,667	33.75	30/03/26
Paul Howard	Unapproved	21/12/16	66,666	78.75	-	66,666	69.45	21/12/26
Total			**779,998**		**508,056**	**271,942**		

Notes:

(1) All options included in the above table were capable of being exercised in full throughout the year to 30 November 2021 and will normally remain so until the tenth anniversary of their original date of grant.

(2) As explained above, a 45 pence per share reduction was applied to the exercise price of all options that were outstanding at the time the 2021 return of value became effective.

(3) Michael Tobin exercised options over 133,333 shares on 21 September 2021 and 93,333 shares on 30 September 2021. The closing share prices on these dates of exercise were 117 pence and 135 pence respectively. For the avoidance of doubt, both these exercises occurred before the above noted return of value became effective with the result that no adjustments were made to their exercise prices.

(4) Andrew Walwyn exercised options over 233,333 shares on 25 October 2021 and 48,057 shares on 29 October 2021. The closing share prices on these dates of exercise were 87.5 pence and 84.5 pence respectively. In connection with Mr Walwyn's exercise of his EMI option (and as highlighted in the 6 September 2021 circular), he was paid an additional cash amount to compensate him for the fact that the exercise price adjustment that was made to reflect the 2021 return of value negatively impacted the tax treatment of his award. Details of this payment are included in the table on page 31.

Following consultation with a number of shareholders and as highlighted in previous reports, the Group has established a Long-Term Incentive Plan ("LTIP") and more recently a Management Incentive Plan, pursuant to which the CEO and other members of staff have been or may be granted awards. There were no awards made under the existing LTIP arrangements in FY21. However, as also explained in the Company's 6 September 2021 circular to shareholders, appropriate mechanisms have been put in place to provide cash compensation to LTIP participants who exercise their awards after the time the return of value detailed in that document became effective. In particular, these arrangements involve the payment to the relevant individual of an additional 45 pence per share in cash on any such exercise.

DIRECTORS' REPORT (CONTINUED)

Details of the options that have been granted to Directors and other staff members under the LTIP and which were outstanding during the year to 30 November 2021, are as follows

Director	Scheme	Date of grant	No. of shares under option at 30 November 2020	Exercise price (pence) per share at 30 November 2020	Exercised during the year	Lapsed during the year[1]	No. of shares under option at 30 November 2021	Exercise price (pence) per share at 30 November 2021 (or date of exercise if earlier)	Normal expiry date
Andrew Walwyn	LTIP	30/05/18	421,907	15.00	-	322,548	99,359	15.00	30/05/28
Andrew Walwyn	LTIP	28/10/19	199,489	15.00	-	-	199,489	15.00	28/10/29
Frank Waters	LTIP	30/05/18	338,968	15.00	-	259,142	79,826	15.00	30/05/28
Frank Waters	LTIP	28/10/19	160,273	15.00	-	-	160,273	15.00	28/10/29
Sub-total Directors			**1,120,637**		**-**	**581,690**	**538,947**		
Other staff members	LTIP	30/05/18	1,054,549	15.00	106,976[2]	851,621	95,952	15.00	30/05/22
Other staff members	LTIP	28/10/19	629,155	15.00	-	-	629,155	15.00	28/10/23
Sub-total Other Staff			**1,683,704**		**106,976**	**851,621**	**725,107**		
Total			**2,804,341**		**106,976**	**1,433,311**	**1,264,054**		

Notes:

(1) The ability to exercise awards under the LTIP is conditional on, amongst other things, the continued employment of the individual within the Group and the satisfaction of specified performance conditions (which are regularly reviewed by the Remuneration Committee). The lapses that occurred during the 12 months to 30 November 2021 were largely attributable to the fact that the performance conditions applicable to the May 2018 awards were formally assessed during the period and were only satisfied in part. Following the vesting of an LTIP award, it will normally remain capable of exercise until the 10th anniversary of its original date of grant.

(2) These exercises of LTIP awards occurred before the 2021 return of value became effective with the result that the relevant participants were not eligible to receive the additional 45 pence per share compensation payment described above.

The Directors' beneficial interests in share options shown in the tables on the previous pages comprise options issued under the EMI option scheme, the "unapproved" option scheme and the LTIP. All such schemes, together with other Management Incentive Plans, are reviewed at least annually to ensure they are in line with shareholders' expectations

There are a number of performance conditions as well as time restrictions relating to the financial year ended 30 November 2021 attached to these share schemes and are reviewed by the Remuneration Committee.

DIRECTORS' REMUNERATION

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

	Year ended 30 November 2021					Year ended 30 November 2020
	Salary/fees £000	Bonus £000	BIK £000	Pension £000	Total emoluments £000	Total emoluments £000
Current Directors:						
Michael Tobin (Non-Executive Director and Chairman)	86	-	-	-	86	83
Andrew Walwyn (Chief Executive Officer)	287	553	2	11	853	477
Frank Waters (Chief Financial Officer) *	289	544	3	9	845	537
Paul Howard (Non-Executive Director)	61	63	-	-	124	107
Christopher Mills (Non-Executive Director)	45	-	-	-	45	52
Philip Moses (Non-Executive Director)	48	-	-	-	48	33
Total	**816**	**1,160**	**5**	**20**	**2,001**	**1,289**

Included in the total emoluments above, following the disposal of Quickline to Northleaf during the period, and the subsequent Return of Capital to shareholders of £26.1m, are payments for the executive directors under the Management Incentive Plan to Andrew Walwyn (£252k (FY20: Nil)) and Frank Waters (£212k (FY20: Nil) which are treated as continuing business costs but analysed on a non-GAAP basis as exceptional, as attached to the disposal. In addition, Frank Waters received an additional bonus for the disposal of Quickline for £175k in the financial year, which was charged to the discontinued business. In FY20 bonus payments to Andrew Walwyn and Frank Waters of £181k and £257k respectively related to the completion of the sale to Eutelsat were charged to the discontinued business.

SERVICE CONTRACTS

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

PENSIONS AND PRIVATE HEALTHCARE

There are pensions and private healthcare arrangements in place for the Chief Executive Officer and Chief Financial Officer as well as central team members as agreed with individuals.

DIRECTORS' REPORT (CONTINUED)

SUBSTANTIAL SHAREHOLDINGS

As at 30 November 2021 the Group was aware of the following interests in 3% or more of its issued voting share capital:

Shareholder	% Holding	No. of shares
Harwood Capital LLP	24.9	14,500,000
Richard Griffiths	11.2	6,514,278
Gresham House Asset Management	8.9	5,203,644
BGF Investment Management Limited	7.8	4,544,444
Liontrust Asset Management	6.7	3,911,351
Hargreaves Lansdown Nominees Limited	5.9	3,435,531
Mr Andrew Walwyn	5.7	3,294,004
Interactive Investor Services Nominees Limited	5.1	2,946,417

EMPLOYEE INVOLVEMENT

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

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise cash, liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The Directors review the policies for managing each of these risks on an on-going basis and they are summarised in note 24 to the financial statements.

Board of Directors

FOR THE YEAR ENDED 30 NOVEMBER 2021

MICHAEL TOBIN OBE

Non-Exec Chairman

Appointment

Michael joined the Board and became Chairman in September 2015

Committee Membership

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

Independence

The Board consider Michael to be an independent Director.

Background and Experience

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

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

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

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

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

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

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

External appointments

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

BOARD OF DIRECTORS (CONTINUED)

PAUL HOWARD

Non-Executive Director

Appointment

Paul joined the Board in September 2015.

Committee Membership

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

Independence

The Board consider Paul to be an independent Director.

Background and Experience

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

External appointments

n/a

CHRISTOPHER MILLS

Non-Executive Director

Appointment

Christopher joined the Board in May 2018.

Committee Membership

None

Independence

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

Background and Experience

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

External appointments

Christopher holds a number of non-executive roles.

PHILIP MOSES

Non-Executive Director

Appointment

Phil joined the Board in May 2020

Committee Membership

Phil chairs the Board's Audit and Risk Committee.

Independence

The Board consider Phil to be an independent Director.

Background and Experience

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

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

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

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

External appointments

Phil was appointed CFO of Osborne Infrastructure Ltd (now Octavius Infrastructure) in January 2022.

ANDREW WALWYN

Chief Executive Officer

Appointment

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

Committee Membership

Andrew serves on the Board's nomination committee.

Independence

Executive – non-independent

Background and Experience

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

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

External appointments

None

FRANK WATERS

Chief Financial Officer

Appointment

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

Committee Membership

None

Independence

Executive – non-independent

Background and Experience

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

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

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

External appointments

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

Statement of Directors' Responsibilities

FOR THE YEAR ENDED 30 NOVEMBER 2021

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.

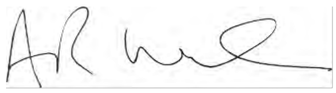
In preparing each of the group and company financial statements, the directors are required to:

- 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

21 March 2022

Corporate Governance Statement

FOR THE YEAR ENDED 30 NOVEMBER 2021

DEAR SHAREHOLDER,

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

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

Michael Tobin OBE

21 March 2022

QUOTED COMPANIES ALLIANCE CODE FOR SMALL & MID-SIZED QUOTED COMPANIES

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

1 STRATEGY & BUSINESS MODEL

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

In April 2021, the Group announced the disposal of the Group's UK Fixed Wireless operation, Quickline, to Northleaf. Following completion in June 2021 the Group remaining operations consist of its Australian operations (SkyMesh) and its Nordics business (Bigblu Norge AS).

The Group is now active and has customers in Australia and the Nordics with approximately c60k customers as at 30 November 2021. The Group although smaller in size following the disposal is extremely focussed on growing the Continuing Group. The Group works closely with network partners to ensure we get the best customer offers in each jurisdiction.

Together with local bespoke systems the Group's cloud-based global billing and customers service (ERP) platform, Pathfinder, enables it to support customers around the world in any language the customer chooses, with the system supporting multiple currencies and VAT jurisdictions. The Group uses satellite capacity from a number of different satellite owners to enable it to provide satellite broadband services and these include but are not limited to EBI and NBNCo. The Group makes its decisions on which satellite operator to use in each country based on a mixture of quality of their services, their product roadmap, business model, resultant price structure, and the amount of capacity available in a particular market.

Satellite design and processing efficiency continue to progress at a pace resulting in continually improving satellite economics with each new satellite launch allowing the Group to continue to

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

improve its broadband offerings and keep pace with the growth in internet demand. Since the Group's inception in 2008, headline consumer satellite broadband speeds in Australasia and the Nordics have increased from 4 Mbps to 50 Mbps and the Group, working with its satellite owner partners, believes that speeds and data allowances will continue to increase exponentially over the next 3 – 5 years.

Our Australian business SkyMesh, went from strength to strength with year-on-year overall customer growth of c.10% and of equal importance, strong customer engagement with 40% of new customers coming from word of mouth and a net promoter score of 46, up from 44 year on year, and against an average competitor score of 25. During the year SkyMesh was also awarded the Whistleout 2021 Best Satellite NBN Co provider. We further reinforced our close working relationship with NBN Co as it pro-actively extended the use of satellite in regional and remote Australia.

After a period of Satellite investment and focus, following the Disposal, the Board continue to evaluate the opportunity to allocate part of the net proceeds from the Disposal to refining and enhancing the Group's service proposition in the Nordic market. Initiatives considered and acted upon included adding a Sales and Marketing director for the Nordics, now appointed, with a strategic objective to, among other things, expand the geographic focus of the operation into Sweden and Finland. In addition to the launch of new product satellite offerings across the region offering speeds of 50Mbps and unlimited capacity, the Group re - commenced investing in the upgrade of its fixed wireless network. The Directors consider that the Group's ability to offer FWA (Fixed Wireless) and satellite solutions in the Nordics means that there is potentially significant scope to expand its presence and reach in this region. The suite of competitive offerings and growing demand for working from home solutions means that the target market continues to increase in size. Market growth, alongside the operational investment outlined above, provide the Directors with confidence of stronger demand for its FWA solutions in Norway whilst, historically capital-light satellite solutions are expected to be successfully deployed across the wider Nordic region.

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

2 UNDERSTANDING AND MEETING SHAREHOLDER NEEDS AND EXPECTATIONS

The AGM is the main forum for dialogue with shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 clear days before the meeting. The chairs of the Board and all committees, together with all other Directors, routinely attend the AGM and are available to answer questions raised by shareholders. Feedback from investors is also obtained through direct interaction between the CEO and CFO at meetings following the publication of its full-year and half-year results. The Group also holds an open retail investor meeting shortly after results have been published. There is also regular dialogue with investors through the medium of the Group's corporate broker (finnCap).

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

Details of specific contacts at finnCap are published on all the Group's RNS releases and on the Group's investor website.

3 TAKING INTO ACCOUNT WIDER STAKEHOLDER & SOCIAL RESPONSIBILITIES & THEIR IMPLICATIONS FOR LONG-TERM SUCCESS

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

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

Every company should consider its corporate social responsibilities (CSR). Any CSR policy should include a narrative on social and environmental issues and should show how these are integrated into the Group's strategy. Integrating CSR into strategy will help create long-term value and reduce risk to shareholders and other stakeholders. The Group see CSR as a very important area for consideration and are currently in the process of finalising a CSR Policy. This year we have reported on carbon output for the first time in Chief Executive Report section. In the coming year we will be looking at setting carbon reduction targets following the TCFD recommendations (The Task Force on Climate-related Financial Disclosures).

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

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

4 EMBEDDING EFFECTIVE RISK MANAGEMENT

The board of the Group ensures that its risk management framework identifies and addresses all the relevant risks and threats that the business may be subject to in the execution of its business plan. These include extended business activities including key customers and its supply chain. The section "Principal Risks and Uncertainties" on pages 23 to 25 of this Annual Report identifies these risks and how the Board and the business mitigate these risks. The board of the Group meets regularly during the year and continually reappraises and discusses the tactics and strategy employed to mitigate these risks.

5 MAINTAINING A BALANCED AND WELL-FUNCTIONING BOARD

The Company ensures a balanced board membership to reflect the skills and attributes needed. The board consists of two executive directors and four non-executive directors.

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness. This includes financial, operational and compliance controls and risk-management systems. The Board has reviewed the effectiveness of the system of internal control during the year in conjunction with the External Auditors.

Internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Role and Responsibilities of the Board

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

From time to time the Board may delegate or entrust to any Director holding executive office (including the CEO) such of its powers, authorities and discretions for such time and on such terms as it thinks fit. During 2021, the Board reviewed and updated the "Delegation of Board authority" which establishes those matters which it is considered appropriate remain within the overall control of the Board (or its committees) and those which are delegated to the CEO (or onwards as appropriate). In addition to overall Group strategy, the Board approves the annual budget and retains control over corporate activity (mergers, acquisitions, partnerships, material disposals and investments) and material contract and financing decisions (over and above set value/credit-risk limits). The Board considers that the current authority remains appropriate for the Board.

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

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

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

BOARD FOCUS DURING THE YEAR

- **Strategy and Funding:**

  During FY21, 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 reviewed relationships with the Group's main partners and suppliers. Together with our Partners over the past five years, the Group successfully executed its strategy of becoming a leading provider of last mile rural broadband solutions through a combined offering of both satellite and fixed wireless products. The Board believes that the Disposal of Quickline provides the Group with the opportunity to crystalise an attractive return on invested capital to support the further progress of the Continuing Group.

- **Financials:**

  During FY21, the Board reviewed the Group's operating results and financial statements with management and the Group's external auditors. The Board also reviewed and approved the budget and operating plan for the financial year. This was given even more attention including multiple scenarios run and sensitivity analysis performed as we navigate through the COVID-19 Pandemic.

- **Governance:**

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

- **Business performance:**

  In FY21, the Board received and reviewed reports from management on the performance of the Group's business. The Board engaged in discussions with management on various aspects of business performance, Key Performance Indicators, including business drivers, industry trends, risks, opportunities and the competitive landscape.

Board committees

The Board has established committees as follows:

- Audit and Risk Committee (chaired by Phil Moses) to oversee financial reporting, internal control and the management of the risks the Group faces.

- Nomination Committee (chaired by Michael Tobin OBE) to lead the process for appointments to the Board and a

- Remuneration Committee (chaired by Michael Tobin OBE) which has the responsibility of helping to develop and manage the Group's Remuneration Policy.

The committee reports can be found on pages 46 to 56 and each committee's full terms of reference are available on our website.

Table of Attendance

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

	Board		Audit and Risk Committee		Remuneration Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Michael Tobin OBE*	9	9	2	2	4	4	1	1
Andrew Walwyn	9	8	-	-	-	-	1	1
Frank Waters	9	9	-	-	-	-	-	-
Paul Howard	9	9	2	2	4	4	1	1
Christopher Mills	9	7	-	-	-	-	-	-
Philip Moses**	9	9	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.

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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

6 HAVING APPROPRIATE EXPERIENCE, SKILLS AND CAPABILITIES ON THE BOARD

BOARD COMPOSITION, QUALIFICATION AND EXPERIENCE

The Board currently comprises six (2020: seven) Directors. The number and/or composition may be changed where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.

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

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

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

- a majority of the Board should be non-executive Directors. Currently there are 4 non-executive Directors and 2 executive Directors.
- the role of Chairman is to be filled by a non-executive Director,
- the Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities,
- Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter one third of Directors are subject to retire by rotation each year.

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

KEY BOARD ROLES

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

NON-EXECUTIVE DIRECTOR INDEPENDENCE

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

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

As noted in the Annual Report on Remuneration on page 51, Michael Tobin OBE, and Paul Howard both participate in the Group's share option plan. Notwithstanding this, both Michael Tobin and Paul Howard are considered independent in character and judgement, this is evidenced by the valuable contributions they make at Board and Committee meetings, and in particular, the knowledge and experience they bring to the roles as Chairman, Non-Executive Directors and Committee members. In addition, whilst Christopher Mills is considered Non-Independent. Christopher provides enormous guidance and support to the business and is considered to be independent in character and judgement.

APPOINTMENT AND TENURE

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

Executive Directors serve on the basis of service agreements which are also available for inspection upon request. Further details on the Executive Directors' service agreements are included in the Annual Report on Remuneration, on page 51.

DIRECTOR TRAINING

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

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

INFORMATION AND SUPPORT AVAILABLE TO DIRECTORS

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

DIRECTOR ELECTION

Following recommendations from the Nomination Committee, taking into account the results of the Board's performance evaluation process, the Board considers that all Directors continue to be effective, committed to their roles and have sufficient time available to perform their duties. In accordance with the Company's Articles of Association one third of Directors are to retire by rotation excluding those appointed during the year and those re-elected at the Group's AGM in 2021 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.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

INDEPENDENT PROFESSIONAL ADVICE AND ACCESS TO COMPANY INFORMATION

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

7 EVALUATING BOARD PERFORMANCE

BOARD EVALUATION AND EFFECTIVENESS

The Board and its committees were formed upon listing in May 2015 and are reviewed from time to time. A Board Effectiveness Review was carried out at the beginning of 2021 with the results being analysed by the Nomination Committee and presented to the Board. A small number of proposed recommendations were made and were being kept under review by the Board.

8 ETHICAL VALUES & BEHAVIOURS

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

9 MAINTAINING GOVERNANCE STRUCTURES AND PROCESSES

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

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

For the roles and responsibilities of the Board please see section 6 on page 42.

10 COMMUNICATING WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS

SHAREHOLDER ENGAGEMENT

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

ANNUAL GENERAL MEETING

The Company's Annual General Meeting ("AGM") will be held on 19 May 2022, and such notice of the AGM will be circulated to shareholders shortly. All shareholders have the opportunity to attend and vote, in person or by proxy, at the AGM. The notice of the AGM can be found on our website and in a notice, which is being mailed out at the same time as this Report. The Notice of AGM sets out the business of the meeting and an explanatory note on all proposed resolutions. Separate resolutions are proposed in respect of each substantive issue. The AGM is the Company's principal forum for communication with private shareholders.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Audit and Risk Committee report explains the process carried out for the assessment of the effectiveness of the Group's risk management and internal control systems on page 47.

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

On behalf of the Board

Ben Harber
Company Secretary
21 March 2022

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

NOMINATION COMMITTEE REPORT

The role of the Nomination Committee is documented in its terms of reference which were reviewed and adopted by the Board of Directors in May 2016. The Nomination Committee is chaired by Michael Tobin OBE, and its other member is Andrew Walwyn.

ROLE AND RESPONSIBILITIES

The Committee assists the Board in discharging its responsibilities relating to the composition and make-up of the Board and any committees of the Board. It is also responsible for periodically reviewing the Board's structure and identifying potential candidates to be appointed as Directors or Committee members as the need may arise. The Committee is responsible for evaluating the balance of skills, knowledge and experience as well as the size, structure and composition of the Board and committees of the Board, retirements and appointments of additional and replacement Directors and Committee members and makes appropriate recommendations to the Board on such matters, having regard to the Company's aim to be an equal opportunity employer, addressing its corporate social responsibility by promoting equality and diversity in its workforce. A copy of the Committee terms of reference is available on the Company's website.

MEETINGS DURING THE YEAR

A meeting of the Nomination Committee was held on 23rd September 2021.

PROCESS FOR BOARD APPOINTMENTS

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

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

When the Company decides to appoint an Executive Director:

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

Michael Tobin OBE
Nomination Committee Chairman
21 March 2022

AUDIT AND RISK COMMITTEE REPORT

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

MEMBERSHIP OF THE COMMITTEE

The Committee meetings were chaired by Philip Moses with Michael Tobin OBE and Paul Howard being the other members of the Committee. All members and the Chair are Independent Non-Executive Directors. All of the members of the Committee have extensive experience of the technology industry as well as financial procedures and controls. During the year ended 30 November 2021, the Committee met twice. The table on page 41 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 Chief Executive Officer and members of the finance function may also be invited to Audit and Risk Committee meetings at the discretion of the Committee. The Committee plans to meet at least twice during the year.

ROLES AND ACTIVITIES

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

SIGNIFICANT ISSUES

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

Revenue recognition	The Group principally generates revenue from sales of airtime, data, hardware and installation in connection with supplying Broadband services and network recharges. There is a risk therefore that revenue is inappropriately recognised if revenue is incorrectly apportioned to a product or service. A detailed revenue recognition policy is in place, and follows IFRS 15, and includes processes and procedures for recognition dependent upon the individual nature of the goods or services sold. The Group's external auditors as part of the annual statutory audit have reviewed the revenue recognition policy and performed testing of revenue recognition and found revenue to be appropriately accounted for in accordance with IFRS15.
Goodwill and intangibles carrying value	At 30 November 2021, the Group had on its balance sheet goodwill of £5.5m (2020: £11.9m) and other intangibles of £0.1m (2020: £0.1m) that has primarily arisen as a consequence of acquisitions. Management performs impairment reviews annually, or more frequently if there is an indication of impairment, based on the Group's hubs. The cash flow forecasts used for each hub are based on the latest Board approved budgets. Management prepares an accounting paper for review by the Committee that details the methodology applied, key assumptions used and the impact of sensitivity analysis. This includes a discounted cashflow, taking into consideration the Group debt value, equity value, the cost of debt and cost of equity, and a growth rate of 2% pa. Having considered the impairment reviews performed, the Committee is satisfied that the carrying value of goodwill and intangibles at 30 November 2021 is appropriate, therefore no impairment required
Disposal of UK Fixed Wireless Operations	The accounting and disclosure for the transaction and the ongoing continuing businesses were reviewed and agreed with the Auditors including splitting disclosure for Continuing and Discontinued Operations.
Return of value to shareholders	An exercise was conducted by PWC to establish the distributable reserves for return of capital to our shareholders. It was identified that the Merger Relief did not apply to the portion of shares allotted where consideration was settled in cash. As a result, the premium arising on these allotments of £10.3m (stated net of the relevant apportionment of attributable issue costs) should have been credited to the Share Premium account at the time, and a reclassification of reserves as at 1 October 2019 has been made accordingly.

INTERNAL CONTROLS AND RISK ENVIRONMENT

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

The normal process for identifying, evaluating and managing significant risks faced by the Group would be overseen by a Risk and Compliance Committee, in association with work performed by an internal audit function. Currently, the Group operations team including finance personnel have taken a lead role in looking at controls in the various jurisdictions this is supplemented with External Advisors from time to time. Where the Board defines an identified risk as significant, procedures exist to ensure that necessary action is taken to rectify or mitigate as appropriate. The aforementioned functions provide additional assurance to an established Audit and Risk Committee who have ultimate responsibility for the oversight and review of the adequacy and effectiveness of the Group's systems of internal controls. In addition, the Committee in the absence of a dedicated internal audit function will from time to time engage with External consultants to review aspects of the business as appropriate. Such findings will be discussed at the Audit and Risk Committee.

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

Key elements of the control environment are:

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

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

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

HOW WE MANAGE RISK

To enhance effective governance and risk management oversight in the future, it is intended that the Group will, as appropriate, extend the internal audit program as approved by the Audit and Risk Committee with the deployment of central resources into the Continuing Operations to review processes and controls. This programme will be authorised by the Board to provide an additional level of assurance to the Audit and Risk Committee in overseeing risk management and internal control activities.

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

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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

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

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

2) a top-down approach at the Executive level, where the principal risks and uncertainties are identified and managed.

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

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

WHISTLE-BLOWING AND ANTI-BRIBERY

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

EXTERNAL AUDITOR

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

The Audit and Risk Committee is confident that the effectiveness and independence of the external auditors is not impaired in any way. The Committee will continue to assess the effectiveness and independence of the external auditors.

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

The non-audit services, including tax compliance activities and internal audit are provided by an independent accounting firm. Haysmacintyre LLP continue to review the half year reporting. Full details of auditor's remuneration are shown in note 4 to the Financial Statements.

REVIEW OF EFFECTIVENESS OF EXTERNAL AUDITORS

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

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

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

Philip Moses
Chairman of the Audit and Risk Committee
21 March 2022

Annual Statement of the Remuneration Committee Chairman

As Chairman of Bigblu Broadband Remuneration Committee, I am pleased to present the Board of Directors' Remuneration Report for the year ended 30 November 2021, 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 FY22 and beyond.

The role of the Remuneration Committee is documented in its Terms of Reference which were reviewed and adopted by the Board of Directors in May 2016 which are also reviewed from time to time to ensure up to date. 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, performance bonuses and share options / Long Term Incentive Plans / Management Incentive Plans with set performance criteria. Remuneration for non-executive Directors consists of an annual fee with options granted in certain circumstances. There were additional fees awarded for serving on Board committees and non-executive Directors are not entitled to annual bonuses.

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

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

REMUNERATION POLICY FOR FY21 AND FUTURE YEARS

Bigblu Broadband plc was listed on the Alternative Investments Market (AIM) in May 2015. During the period the Remuneration Committee reviewed the Group's remuneration structure to ensure it aligned with the forward-looking strategy of the Group, is able to motivate and retain the executive team over the next key phase in the Group's development post the two successful disposals, and to ensure it takes into account market and best practice for a listed Group. The remuneration structure for Executive Directors applied throughout the financial year and is carried forward as appropriate into the new financial year commencing 1 December 2021, is set out in the Remuneration Policy below. Following the disposal during the year the Committee have undertaken to review the Long-Term Incentive Plan and Management Incentive Plans for senior executives to ensure their interests are aligned with that of the shareholders both in the short and medium term.

Our remuneration arrangements reflect that we compete for talent in a competitive market against other telecommunications companies. The Committee has also carefully considered the expectations of our 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.

ANNUAL STATEMENT OF THE REMUNERATION COMMITTEE CHAIRMAN (CONTINUED)

REMUNERATION DECISIONS IN FY21

The activities of the Committee and key decisions in FY21 are set out below and take into consideration the Disposal completion in June 2021:

- Executive salaries were reviewed. There was no increase during the year and reduced by 10% in FY22
- The basis and awards under the bonus schemes were updated and linked intrinsically to delivering Revenue, Adjusted EBITDA and Cash targets.
- Non-Executive Director salaries were reduced by 20% with effect from December 2021.
- A new Management Incentive Plan was implemented to maximise shareholder value post the disposal of the UK fixed wireless operation, in July 2021.

The Group delivered strong results for the Continuing Operations with revenue at £27.1m (FY20: £23.4m) and adjusted EBITDA at £4.6m (FY20: £4.1m). Additional uplift bonuses can be earned when performance materially exceeds targets however none were awarded during the period. Awards were made to various staff including the CEO and CFO as a result of the disposal of the UK business in June 2021 in recognition of the extensive additional work performed out with core responsibilities, and the delivery of Shareholder returns in October 2021.

LONG-TERM INCENTIVE PLAN

Following consultation with External Advisors, the Company's Nominated Advisor and a Panel of Shareholders in 2018 an LTIP was put in place to further ensure Executives are fully aligned with Shareholder Returns and to remove the subjectivity surrounding Option awards. The basis of the award is in line with best practice and is calculated by reference to two metrics, actual BBB share price performance and relative performance versus a basket of similar companies in the following weightings:

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

No award was made in the current year to Senior Executives instead the Committee, as outlined last year revisited all incentive plans post last year's disposal to ensure Senior Executives short, medium and long term Management Incentive Plans are intrinsically linked to growing shareholder value.

During the course of the year there were no awards under the current LTIP to the Executive Directors (FY20: no awards).

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

Type	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Base salary	To attract and retain talent of the right calibre and with the ability to contribute to strategy, by ensuring base salaries are competitive in the relevant talent market.	Base salaries are usually reviewed annually, with reference to individual performance, Group performance, market competitiveness, salary decreases / increases across the Group and the position holder's experience, competence and criticality to the business. Any decreases / increases are generally effective from 1 December.	Executive Director salary decreases / increases will normally be in line with those for the wider executive employee population. However, higher salary decreases / increases may be made where there is a change in role or responsibilities.	Group performance against market expectations is considered when determining appropriate salary levels.
Pension	Provide post-retirement benefits for participants in a cost-efficient and equitable manner.	Pension contributions are provided by the Group as part of a legislatively compliant Workplace Pension Scheme that requires an overall contribution of 9% of gross base salary to be made by Year 3 of the scheme. This overall percentage contribution will be made up from a combination of contributions from the Executive Directors and the Group, with a choice of funding vehicles through either the Group Plan or by contributions being made to a personal SIPP chosen and set up by the Executive Director.	The CEO and CFO receive a matching contribution of *4.5 percent of salary under the opt-in to the Group Workplace Pension Scheme. Subject to the applicable maximum contribution. The Committee does not anticipate pension benefits as being at a cost to the Group that would exceed 10 percent of base salary, notwithstanding future changes to pension legislation.	None
Benefits	To provide competitive benefits for each role.	Benefits currently include the provision of private medical, 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.	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).	None

ANNUAL STATEMENT OF THE REMUNERATION COMMITTEE CHAIRMAN (CONTINUED)

Variable Pay

Type	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Bonus arrangements	Aims to focus executives on achieving financial targets relevant to the business priorities for the financial period and where appropriate to outperform	Typically, 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. Additional bonuses can be earned at the sole discretion of the Remuneration Committee if exceptional circumstances arise.	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.	The annual bonus will be based on achievement of financial targets (e.g., revenue growth, EBITDA improvements and cash metrics. The Committee has discretion to adjust the formulaic bonus outcome downwards within the limits of the plan, to ensure alignment of pay with the underlying performance of the business.

Non-Executive Directors Fees

Type	Purpose and link to strategy	Operation	Maximum opportunity	Performance metrics
Non-Executive Directors' Fees	To reflect the time commitment in preparing for and attending meetings, the duties and responsibilities of the role and the contribution expected from the Non-Executive Directors.	Monthly fees for Non-Executive Directors are paid via Payroll and were reduced by 20% from the start of December 2021. 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 annual bonus incentive schemes, nor do they receive any pension or benefits (other than nominal travel expenses). Non-Executive Directors will participate in the Company's share option schemes.	Any decreases / 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.	None

Notes to the policy table

- Revenue growth, adjusted EBITDA and free cash flow metrics are considered to be the best measures of the Group's annual performance given our current size and stage of growth and will continue to determine at least 75% of the achievement criteria for annual bonus awards. The Committee will keep this under review and may select alternative measures as the Group evolves and strategic priorities change post the disposal where great attention is paid to the creation of shareholder value.
- 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 Executive annual bonus scheme, nor do they receive any additional pension or expenses (other than nominal travel expenses) on top of the fees disclosed below. They do however have eligibility to participate in the Company's Share Schemes and Management Incentive Plans. Non-Executive Directors appointment may be terminated at any time upon written notice or in accordance with the articles and receive no compensation on termination.

Non-Executive Director	Role	Appointment date	Re-appointment date	Term of appointment
Michael Tobin	Chairman	September 2015	May 2019	3 years
Paul Howard	Non-Executive Director	September 2015	May 2019	3 years
Christopher Mills	Non-Executive Director	May 2019	May 2019	3 years
Philip Moses	Non-Executive Director	May 2020	May 2021	3 years

Executive Directors

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

Executive Director	Role	Contract date	Re-appointment date	Notice period
Andrew Walwyn	Chief Executive Officer	May 2015	May 2018	12 months
Frank Waters	Chief Financial Officer	May 2015	May 2021	12 months

ANNUAL STATEMENT OF THE REMUNERATION COMMITTEE CHAIRMAN (CONTINUED)

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

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

Michael Tobin
Chairman of the Remuneration Committee
21 March 2022

Independent Auditor's Report

TO THE MEMBERS OF BIGBLU BROADBAND PLC FOR THE YEAR ENDED 30 NOVEMBER 2020

OPINION

We have audited the financial statements of Bigblu Broadband Plc (the 'parent company') and its subsidiaries (together, the 'group') for the year ended 30 November 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements 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 UK adopted international accounting standards.

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 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

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

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit scope included all components. Our audit work therefore covered 100% of group revenue, group profit and total group assets and liabilities. It was performed to the materiality levels set out below for the Group and Parent Company, with component materiality adopted for audits of non-UK subsidiaries conducted by component auditors. The audits of Bigblu Norge AS and SkyMesh Pty Ltd (and its directly held subsidiaries) were performed by component auditors in accordance with our group audit instructions. BBB Ausco Limited and BBB Norco Limited are dormant entities and were audited in accordance with group materiality as set out below.

We communicated with both the directors and the Audit Committee our planned audit work via our audit planning report and relevant discussion.

We communicated audit progress with the audit committee through interim audit progress meetings. We have communicated any issues to the audit committee and the directors in our final audit findings report.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Audit risk	How we responded to the risk
Impairment of goodwill	
The group recognised goodwill of £5,523,000 as at 30 November 2021 (2020: £11,837,000). There is a risk that goodwill is impaired and therefore materially overstated. For the year ended 30 November 2021, management performed an impairment review for each of the cash-generating units (CGUs) to which goodwill relates. The assessment was based on the future cash flows of each CGU using either a discounted cash flow models or fair value assessments. Significant management judgement and estimation uncertainty is involved in this area, where the primary inputs are: • Estimating future cash flows; • Selecting an appropriate discount rate and variables with the cash flow model; and • Selecting appropriate valuation methodologies and relevant market-based valuation multiples.	Our audit work included, but was not restricted to, the following: • We assessed management's impairment review process and performed analysis which formed the basis of our challenge of management's assumptions. • We verified the arithmetical accuracy of the impairment model. • We reviewed management's forecasted cash flows that fed into discounted cash flow models and challenged assumptions around these with reference to historic results, market trends and future expectations. • We assessed the appropriateness of the growth and discount rates used by management and challenged Management on those that fell outside of our expectations. • We considered the basis from which fair values were derived and considered whether they were reasonable. • We reviewed the carrying value of goodwill to consider whether amounts relating to subsidiaries disposed of during the year had been appropriately derecognised.
Disposal of subsidiary entities	
The Group underwent a significant restructure during the year having disposed of material subsidiary entities. The Group has presented the results of these subsidiaries within discontinued operations, also recognising a gain on their disposal of £25.9m. There is a risk of an inaccurate allocation of results between continuing and discontinued operations. There is also a risk of misstatement of the gain on disposal either through inaccurate calculation of consideration receivable, or misallocation of income and expenditure (arising from either continuing or discontinued operations) to the disposal gain	Our audit work included, but was not restricted to, the following: • We reviewed calculations for the gain on disposal and ensured that this was in line with the relevant sale and purchase agreement. • We performed substantive and analytical procedures on the individual balance sheets of the companies disposed of at the time of disposal. • We considered the allocation of costs to discontinued operations and the appropriateness of the presentation of these transactions. • We reviewed amounts recognised in relation to the consideration receivable position and the appropriateness of its recognition as at 30 November 2021. • We also reviewed consideration adjustments and costs associated with disposals of subsidiaries made during the year ended 30 November 2020 to ensure that have been appropriately presented within gains on disposal of discontinued operations.

Audit risk	How we responded to the risk
Impairment of parent company investment valuation	
The parent company holds investments in two wholly owned trading subsidiaries, SkyMesh Pty Ltd ("SkyMesh") and Bigblu Norge as ("BBN"). There is a risk that these investments are impaired and therefore materially overstated. For the year ended 30 November 2021, management considered whether indicators of impairment existed for each cash-generating unit (CGU). Where relevant, valuation assessments were performed in relation by management to determine the recoverable value of each CGU. Significant management judgement and estimation uncertainty is involved in this area, where the primary inputs are: • Estimating future cash flows; • Comparable market-based valuation metrics; • Selecting an appropriate discount rate and variables within discounted cash flow models; and • Selection of appropriate valuation methodologies.	Our audit work included, but was not restricted to, the following: • We assessed management's impairment review process and performed analysis to challenge management's assumptions. • We verified the arithmetical accuracy of the impairment models. • We reviewed management's discounted cash flow valuation model and challenged assumptions around these with reference to historic results, market trends and future expectations. • We assessed the appropriateness of the growth and discount rates used by management and challenged management on those that fell outside of our expectations. • We reviewed management's fair value assessment methodologies and assessed and challenged the appropriateness of the assumptions used within them.
Revenue recognition	
The Group generates revenue from the sale of airtime, data, hardware and installation in connection with the supply of broadband services. There is a risk therefore that revenue is inappropriately recognised or is incorrectly apportioned to a product or service.	Our audit work included, but was not restricted to, the following: • We issued group audit instructions, which identified revenue as a significant risk area, to component auditors and reviewed their relevant reporting to us. • We reviewed the working papers relevant to the Group's revenue recognition prepared by component auditors to ensure sufficient audit evidence had been obtained at component level. • We considered the nature of Group revenue and whether it had been recognised appropriately in line with the discharge of service obligations as set out by IFRS 15: Revenue from Contracts with Customers. • We reviewed disclosures relating to revenue recognition within the notes to the financial statements to ensure they are comprehensive and accurate.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

OUR APPLICATION OF MATERIALITY

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

The materiality for the Group financial statements as a whole was set at £300,000 (30 November 2020: £300,000). This was determined with reference to 1.1% of continuing group revenue.

On the basis of our risk assessment and review of the Group's control environment, performance materiality was set at 75% of materiality, being £225,000 (30 November 2020 – 75% of materiality being £225,000).

The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £15,000 (30 November 2020 – £15,000). If in our opinion differences below this level warranted reporting on qualitative grounds, these would also be reported.

The materiality for the Parent Company financial statements was set at £300,000 (30 November 2020: £300,000). Our materiality was set at £300,000 so as to ensure component materiality did not exceed group materiality.

On the basis of our risk assessment and review of the Parent Company's control environment, performance materiality was set at 75% of materiality, being £225,000 (30 December 2020 – 75% of materiality being £225,000).

The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £15,000 (30 November 2020 – £15,000). If in our opinion differences below this level warranted reporting on qualitative grounds, these would also be reported.

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;
- 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates, including the presentation of revenue and expenditure. Audit procedures performed by the engagement team included:

- Inspecting correspondence with tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates, particularly relating to impairment of intangible assets, investment valuation and presentation of revenue and expenditure.

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

USE OF OUR REPORT

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

Christopher Cork

Christopher Cork
(Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP
Statutory Auditors
21 March 2022

10 Queen Street Place
London
EC4R 1AG

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 NOVEMBER 2021

Registered Number 09223439

	Notes	2021 £'000	2020 £'000
Continuing Operations			
Revenue from contracts with customers	**2**	**27,067**	**23,428**
Cost of sales		(14,899)	(12,594)
Gross profit		**12,168**	**10,834**
Distribution expenses		(8,734)	(6,494)
Administrative expenses		(4,332)	(2,057)
Operating profit	**3**	**(898)**	**2,283**
Finance costs	7	(798)	(6,834)
(Loss) before tax		**(1,696)**	**(4,551)**
Taxation credit / (charge) on operations	8	76	(262)
(Loss) from continuing operations		**(1,620)**	**(4,813)**
Profit from discontinued operations	13	28,373	14,244
Profit for the year		**26,753**	**9,431**
Other comprehensive expense			
Foreign currency translation difference		(355)	(202)
Total comprehensive income for the year		**26,398**	**9,229**
Total comprehensive income for the year is attributable to:			
Owners of Bigblu Broadband Plc		26,682	9,456
Non-controlling interests		(284)	(227)
Earnings per share from profit attributable to the ordinary equity holders of the company			
Total - Basic EPS	**9**	**46.9p**	**16.8p**
Total - Diluted EPS	**9**	**45.6p**	**16.6p**
Continuing operations – Basic EPS		(2.8p)	(8.3p)
Continuing operations – Diluted EPS		(2.7p)	(8.3p)
Discontinued operations – Basic EPS		49.7p	25.1p
Discontinued operations – Diluted EPS		48.3p	24.9p
Adjusted earnings per share from continuing operations attributable to the ordinary equity holders of the company			
Continuing operations - Adjusted Basic EPS	**9**	**4.3p**	**1.9p**
Continuing operations - Adjusted Diluted EPS	**9**	**4.2p**	**1.9p**

The notes on pages 69 to 97 form an integral part of these financial statements.

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 30 NOVEMBER 2021

Registered Number 09223439

	Notes	2021 £'000	Restated 2020 £'000	Restated 2019 £'000
Assets				
Non-current assets				
Property, plant and equipment	10	4,090	10,876	15,865
Intangible assets	11	5,576	11,968	29,362
Investments	12	5,672	-	52
Deferred tax asset	19	709	501	643
Total non-current assets		**16,047**	**23,345**	**45,922**
Current assets				
Cash and cash equivalents	14	5,201	15,306	5,989
Inventory	15	699	896	3,911
Trade and other receivables	16	4,917	3,798	8,325
Total current assets		**10,817**	**20,000**	**18,225**
Total assets		**26,864**	**43,345**	**64,147**
Current liabilities				
Trade and other payables	17	(9,420)	(12,507)	(32,461)
Provisions for liabilities and charges	17	(685)	(1,468)	(328)
Total current liabilities		**(10,105)**	**(13,975)**	**(32,789)**
Non-current liabilities				
Other payables	18	(835)	(2,628)	(4,409)
Loans	18	-	(7,877)	(20,187)
Deferred tax liability	19	(13)	(104)	(234)
Total non-current liabilities		**(848)**	**(10,609)**	**(24,830)**
Total liabilities		**(10,953)**	**(24,584)**	**(57,619)**
Net assets		**15,911**	**18,761**	**6,528**
Equity				
Share capital	20	8,749	8,638	8,636
Share premium	20	8,589	34,180	34,161
Share option reserve	21	-	2,614	2,282
Capital redemption reserve	21	26,120	-	-
Other equity reserve	21	-	1,294	271
Foreign exchange translation reserve	21	(2,430)	(2,569)	(2,225)
Reverse acquisition reserve	21	(3,317)	(3,317)	(3,317)
Listing cost reserve	21	(219)	(219)	(219)
Merger relief reserve	21	-	5,972	5,972
Retained losses		(21,581)	(32,403)	(42,412)
Capital and reserves attributable to owners of Bigblu Broadband Plc		**15,911**	**14,190**	**3,149**
Non-controlling interests		-	4,571	3,379
Total equity		**15,911**	**18,761**	**6,528**

Approved by the Board on 21 March 2022 and signed on its behalf by:

Andrew Walwyn
Chief Executive Officer

The notes on pages 69 to 97 form an integral part of these financial statements.

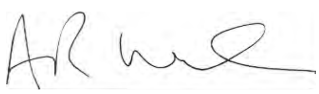
Company Statement of Financial Position

FOR THE YEAR ENDED 30 NOVEMBER 2021 **Registered Number 09223439**

	Notes	2021 £'000	Restated 2020 £'000	Restated 2019 £'000
Assets				
Non-current assets				
Property, plant and equipment	10	4	-	-
Intangible assets	11	53	-	-
Investments	12	44,201	52,393	18,018
Total non-current assets		**44,258**	**52,393**	**18,018**
Current assets				
Cash and cash equivalents	14	1,550	10,700	-
Trade and other receivables	16	3,924	1,247	24,466
Total current assets		**5,474**	**11,947**	**24,466**
Liabilities				
Current liabilities				
Trade and other payables	17	(3,127)	(2,371)	(3,556)
Provisions for liabilities and charges	17	(685)	(1,468)	(328)
Total current liabilities		**(3,812)**	**(3,839)**	**(3,884)**
Non-current liabilities				
Non-current loans	18	-	(7,877)	(19,978)
Net assets		**45,920**	**52,624**	**18,622**
Equity				
Share capital	20	8,749	8,638	8,636
Share premium	20	8,589	34,180	34,161
Share option reserve	21	-	2,614	2,282
Capital redemption reserve	21	26,120	-	-
Other equity reserve	21	-	1,294	271
Listing cost reserve	21	(219)	(219)	(219)
Merger relief reserve	21	-	5,972	5,972
Retained profit / (loss)		2,681	145	(32,481)
Total equity		**45,920**	**52,624**	**18,622**

In accordance with section 408 of the Companies Act 2006 the parent company has not presented its own Income Statement, which resulted in a profit after tax of £18.8m (2020: profit £32.6m).

Approved by the Board on 21 March 2022 and signed on its behalf by:



Andrew Walwyn
Chief Executive Officer

The notes on pages 69 to 97 form an integral part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Notes	2021 £'000	2020 £'000
Loss after tax from Continuing operations		(1,620)	(4,813)
Profit after tax from Discontinued operations		28,373	14,244
Profit for the year including discontinued operations		**26,753**	**9,431**
Adjustments for:			
Interest charge	7	852	7,108
Gain on disposal of subsidiaries	13	(28,942)	(18,928)
Goodwill impairment	11	-	213
Amortisation of intangible assets	11	21	1,626
Release of grant creditors	2	(285)	(772)
Depreciation of property, plant and equipment - owned assets	10	1,834	3,897
Depreciation of property, plant and equipment - ROU assets	10	836	1,680
Tax (credit) / charge	8	(76)	316
Share based payments	24	163	332
Foreign exchange variance and other non-cash items		(332)	(1,110)
Decrease in inventories		39	1,113
(Increase) / Decrease in trade and other receivables		(2,418)	4,527
Increase / (Decrease) in trade and other payables		829	(6,764)
Gain on disposals of fixed assets		(8)	(167)
Cash (used in) / generated from operations		**(734)**	**2,502**
Interest paid		(411)	(8,171)
Tax paid		(495)	(1)
Net cash outflow from operating activities		**(1,640)**	**(5,670)**
Investing activities			
Purchase of property, plant and equipment	10	(6,009)	(8,679)
Purchase of intangibles	11	(53)	(907)
Cash transferred out of group in disposed of subsidiaries		(2,533)	(1,035)
Proceeds from sale of property, plant and equipment		92	45
Proceeds from sale of subsidiary	13	31,094	37,222
Net cash generated from investing activities		**22,591**	**26,646**
Financing activities			
Proceeds from issue of ordinary share capital		435	21
Return of capital to shareholders		(26,120)	-
Proceeds from bank revolving credit facility		2,000	29,400
Loans (paid)		(8,400)	(41,353)
Investment by non-controlling interest		2,000	1,972
Principal elements of lease payments		(971)	(1,699)
Net cash outflow generated from financing activities		**(31,056)**	**(11,659)**
Net (decrease)/increase in cash and cash equivalents		**(10,105)**	**9,317**
Cash and cash equivalents at beginning of year		15,306	5,989
Cash and cash equivalents at end of year		**5,201**	**15,306**

Note that the presentation of the cashflow takes into consideration the combined Continuing and Discontinued movements in cash. See also the reconciliation of the movement in net debt on page 18 of the Strategic Report. The notes on pages 69 to 97 form an integral part of these financial statements.

Company Statement of Cash Flows

FOR THE YEAR ENDED 30 NOVEMBER 2021

	2021 £'000	Restated 2020 £'000
Profit for the year	**18,818**	**32,626**
Adjustments for:		
Interest charge	710	6,680
Gain on disposal of investments	(24,301)	-
Impairment charges	1,471	-
Depreciation	1	-
Share based payments	163	332
(Increase) in trade and other receivables	(2,749)	(9,323)
Decrease in trade and other payables	(27)	(45)
Cash (outflow)/inflow from operating activities	**(5,914)**	**30,270**
Investing activities		
Proceeds from sale of subsidiary	31,094	-
Purchase of property, plant and equipment	(5)	-
Purchase of intangibles	(53)	-
Net cash generated in investing activities	31,036	-
Financing activities		
Proceeds from issue of ordinary share capital	435	21
Return of capital to shareholders	(26,120)	-
Proceeds from bank revolving credit facility	-	29,400
Repayment of bank revolving credit facility	-	(29,250)
Repayment of loans	(8,400)	(12,000)
Repayment of BGF redemption premium	-	(5,511)
Interest paid	(187)	(1,030)
BGF penalty interest	-	(1,200)
Net cash outflow from financing activities	**(34,272)**	**(19,570)**
Net (decrease)/increase in cash and cash equivalents	**(9,150)**	**10,700**
Cash and cash equivalents at beginning of year	10,700	-
Cash and cash equivalents at end of year	**1,550**	**10,700**

The notes on pages 69 to 97 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share option reserve £'000	Retained losses £'000	Other equity reserve £'000	Foreign exchange reserve £'000	Reverse acquisition reserve £'000	Listing cost reserve £'000	Merger relief reserve £'000	Total £'000	Non-controlling Interest £'000	Total equity £'000
At 1 December 2019 as previously stated		**8,636**	**23,900**	**-**	**2,282**	**(42,412)**	**271**	**(2,225)**	**(3,317)**	**(219)**	**16,233**	**3,149**	**3,379**	**6,528**
Prior year reclassification	1	-	10,261	-	-	-	-	-	-	-	(10,261)	-	-	-
Restated balance at start of financial year		**8,636**	**34,161**	**-**	**2,282**	**(42,412)**	**271**	**(2,225)**	**(3,317)**	**(219)**	**5,972**	**3,149**	**3,379**	**6,528**
Profit / (Loss) for the year		-	-	-	-	9,660	-	-	-	-	-	9,660	(227)	9,433
Issue of shares	18	2	19	-	-	-	-	-	-	-	-	21	-	21
Acquisition of shares in subsidiary by non-controlling interest	12	-	-	-	-	553	-	-	-	-	-	553	1,419	1,972
Equity settled share-based payments	23	-	-	-	332	-	1,023	-	-	-	-	1,355	-	1,355
Other comprehensive expense		-	-	-	-	(204)	-	(344)	-	-	-	(548)	-	(548)
Restated at 30 November 2020		**8,638**	**34,180**	**-**	**2,614**	**(32,403)**	**1,294**	**(2,569)**	**(3,317)**	**(219)**	**5,972**	**14,190**	**4,571**	**18,761**
Profit / (Loss) for the year		-	-	-	-	27,037	-	-	-	-	-	27,037	(284)	26,753
Issue of shares	18	111	324	-	-	-	-	-	-	-	-	435	-	435
Acquisition of shares in subsidiary by non-controlling interest	12	-	-	-	-	422	-	-	-	-	-	422	1,578	2,000
Equity settled share-based payments	23	-	-	-	163	-	-	-	-	-	-	163	-	163
Disposal of subsidiary	13	-	-	-	-	-	-	-	-	-	-	-	(5,865)	(5,865)
Other comprehensive expense		-	-	-	-	(355)	-	139	-	-	-	(216)	-	(216)
Return of capital		-	(25,915)	26,120	(2,777)	(16,282)	(1,294)	-	-	-	(5,972)	(26,120)	-	(26,120)
At 30 November 2021		**8,749**	**8,589**	**26,120**	**-**	**(21,581)**	**-**	**(2,430)**	**(3,317)**	**(219)**	**-**	**15,911**	**-**	**15,911**

The notes on pages 69 to 97 form an integral part of these financial statements.

Company Statement of Changes in Equity

FOR THE YEAR ENDED 30 NOVEMBER 2021

	Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share option reserve £'000	Listing cost reserve £'000	Other equity reserve £'000	Merger relief reserve £'000	Retained profits/ (losses) £'000	Total equity £'000
At 1 December 2019 as previously stated		**8,636**	**23,900**	**-**	**2,282**	**(219)**	**271**	**16,233**	**(32,481)**	**18,622**
Prior year reclassification	1	-	10,261	-	-	-	-	(10,261)	-	-
Restated balance at start of financial year		**8,636**	**34,161**	**-**	**2,282**	**(219)**	**271**	**5,972**	**(32,481)**	**18,622**
Profit for the year		-	-	-	-	-	-	-	32,626	32,626
Issue of shares		2	19	-	-	-	-	-	-	21
Equity-settled share - based payments	24	-	-	-	332	-	1,023	-	-	1,355
Restated at 30 November 2020		**8,638**	**34,180**	**-**	**2,614**	**(219)**	**1,294**	**5,972**	**145**	**52,624**
Profit for the year		-	-	-	-	-	-	-	18,818	18,818
Issue of shares	20	111	324	-	-	-	-	-	-	435
Equity-settled share - based payments	24	-	-		163	-	-	-	-	163
Return of capital		-	(25,915)	26,120	(2,777)	-	(1,294)	(5,972)	(16,282)	(26,120)
At 30 November 2021		**8,749**	**8,589**	**26,120**	**-**	**(219)**	**-**	**-**	**2,681**	**45,920**

The notes on pages 69 to 97 form an integral part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 NOVEMBER 2021

1. ACCOUNTING POLICIES

GENERAL INFORMATION AND BASIS OF PREPARATION

Bigblu Broadband plc is a public limited company, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The financial statements of Bigblu Broadband plc for the year ended 30 November 2021 were authorised for issue by the Board on 21 March 2022 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 2021. This review covers the consolidated results of Bigblu Broadband plc and its subsidiary undertakings from the date of acquisition.

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

STANDARDS ISSUED AND APPLIED FOR THE FIRST TIME IN 2021

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

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

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

STANDARDS ISSUED AND NOT YET EFFECTIVE

The following new and revised Standards and Interpretations are issued. The Group intends to adopt these standards in 2022 and are not currently effective:

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

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

PRIOR YEAR RECLASSIFICATION

The prior year reclassification relates to the treatment of share capital issued in connection with previous acquisitions made during the year ended 30 November 2018. From a review of the Company's distributable reserves, it was identified that the Merger Relief did not apply to the portion of shares allotted where consideration was settled in cash. As a result, the premium arising on these allotments of £10.3m (stated net of the relevant apportionment of attributable issue costs) should have been credited to the Share Premium account at the time, and a restatement of reserves as at 1 October 2019 has been made accordingly. Net assets and results for both periods presented in these financial statements are not impacted by this adjustment

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 26. The financial position of the Group, its cash flows and liquidity position are described in the Finance Review on pages 10 to 22. In addition note 25 to the financial statement includes the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

As at 30 November 2021 the Group generated an adjusted EBITDA from continuing operations before a number of non-cash and start-up costs expenses as shown on page 14, of £4.6m (2020: £4.1m), and with cash inflow from operations before interest, tax and capital expenditure, of £5.2m (2020: outflow of £0.4m) and a net reduction in cash and cash equivalents of £10.1m in the year (2020: increase £9.3m). The Group balance sheet showed net cash and cash equivalents at 30 November 2021 of £5.2m (2020: £15.3m).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

The Board has concluded that no matters have come to its attention which suggest that the Group will not be able to maintain its current terms of trade with customers and suppliers or indeed that it could not adopt relevant measures as outlined in the Strategic report to reduce costs and free cash flow. The latest management information in terms of volumes, debt position, ARPU and Churn are in fact showing a positive position compared to prior year and budget as a result of each government's response to COVID-19 resulting in the remote working position of individuals across our key territories. The forecasts for the combined Group projections, taking account of reasonably possible changes in trading performance, indicate that the Group has sufficient cash available to continue in operational existence throughout the forecast year and beyond. The Board has considered various alternative operating strategies should these be necessary and are satisfied that revised operating strategies could be adopted if and when necessary. As a consequence, the Board believes that the Group is well placed to manage its business risks, and longer-term strategic objectives, successfully.

REVENUE

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer net of sales taxes and discounts. The Group principally obtains revenue from providing the following telecommunications services: airtime usage, rental of equipment and other service charges, connection fees and equipment sales. Customers can acquire either single or multiple products and services, with the principal service being the provision of airtime. Airtime usage represents the monthly or other periodic subscription charge for use of the Satellite or Fixed Wireless broadband solution that we provide. These are incremental amounts selected by the customer independent of their decision whether to purchase or rent equipment. The performance obligation is discharged by ensuring that the service contracted for is available throughout the invoiced period and revenue is recognised on an even basis over the period during which the airtime is provided. We describe this as recurring revenue, by which we mean that it is contracted for a period of time and can be renewed.

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

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

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

FOREIGN CURRENCY

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

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

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

PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

GOODWILL

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

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

INTANGIBLE ASSETS AND AMORTISATION

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

- Customer Contracts – 2 years
- Software – 3 years

INTANGIBLE ASSETS RECOGNISED IN A BUSINESS COMBINATION

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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.

SHARE BASED PAYMENTS

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

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

PROVISIONS

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

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

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

FINANCIAL INSTRUMENTS

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

EQUITY INSTRUMENTS

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

LEASES

As a lessee

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

As indicated above the Group has adopted IFRS 16 Leases from 1 December 2018 resulting in a change of accounting policy. Until 30 November 2018 leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership, were classified as finance leases. Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (note 21). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

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

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

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

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

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

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

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

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

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

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

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise rental of small amounts of space for locating network infrastructure equipment and small items of office equipment. During 2021 the amount accounted for as low value assets was £57k (2020: £65k) primarily as a result of excluding leases for space to locate repeater equipment owned by Bigblu Norge with an individual annual cost of less than £500.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight line basis over the lease term (note 22) Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

CURRENT AND DEFERRED TAXATION

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

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

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

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

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

EMPLOYEE ENTITLEMENTS

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

PENSIONS

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

RESEARCH & DEVELOPMENT

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

GOVERNMENT GRANTS

Grants are received as a subsidy towards both assets and expenditure. Grants in relation to assets are initially recognised as deferred income and released to the Statement of Comprehensive Income over the useful life of the asset. Grants in relation to expenditure are initially recognised as deferred income and released to the Statement of Comprehensive Income to match the related costs.

DISCONTINUED OPERATIONS

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

CRITICAL ACCOUNTING JUDGEMENTS AND KEY AREAS OF ESTIMATION UNCERTAINTY

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

(a) Property, plant and equipment

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

(b) Share based compensation

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

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

(c) 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.

(d) Goodwill and other intangible assets

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

- Customer contracts have been valued by taking an average length of contract multiplied by an average margin per month. A discount rate has been applied to the calculated value to reflect customer churn and doubtful debts. The margin and applied discount will vary 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.
- Intellectual property based on estimated fair value
- Capitalisation of internal staff for development of systems and major projects is calculated on a time basis and charged to intangible assets and amortised over the agreed policy in place for such assets.

(e) Trade and other receivables

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

(f) Contingent Liabilities/Provisions

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

(g) Recoverable value of investments in subsidiaries

Judgement is required in assessing whether there are any indicators that the carrying amounts of investments may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate and long-term growth rate in order to calculate the present value of those cash flows.

(h) Recoverable value of deferred tax assets

Judgement is required to assess how probable it is that taxable profits will be available against which historic tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. CONTINUING OPERATIONS REVENUE

	2021 £'000	2020 £'000
Recurring revenue - airtime	24,972	20,490
Recurring revenue - other	624	527
Government grant income	-	36
Other non recurring revenue	1,471	2,375
Total	**27,067**	**23,428**

SEGMENTAL SPLIT OF CONTINUING OPERATIONS REVENUE:

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

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

	External revenue by location of customer		Non-current assets by location of assets	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
United Kingdom	747	577	9,342	4,907
Europe	4,544	6,260	2,975	1,838
Rest of World	21,776	16,591	3,441	3,662
Total	**27,067**	**23,428**	**15,758**	**10,407**

In order to present relevant information, non-current assets by location have been re-presented for the purposes of this note only, so as to compare the continuing revenue as analysed by region. The investment of £5.6m in the ongoing Quickline business is included in United Kingdom in 2021.

3. PROFIT FROM GROUP OPERATIONS

	Continuing operations		Discontinued operations	
The profit (2020 – loss) has been arrived at after charging/(crediting) the following:	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Depreciation of property plant & equipment - owned assets (Note 10)	804	524	1,027	3,373
Depreciation of property plant & equipment - ROU assets (Note 10)	586	768	253	912
Amortisation of intangible assets (Note 11)	-	18	21	1,608
Goodwill Impairment charges (Note 11)	-	-	-	213
Gain on sale of discontinued operation (note 13)	-	-	(25,925)	(18,928)
Operating lease income (Note 22)	-	-	-	304
Share based payments (Note 24)	163	1,355	-	-
Wages & salaries and social security costs (Note 5)	6,515	4,839	2,649	7,285
Pension costs (Note 5)	236	211	20	107
Losses from translation of foreign currency	355	204	-	-
Profit on disposal of Fixed Assets	-	-	(8)	(45)

4. AUDITOR'S REMUNERATION

	2021 £'000	2020 £'000
Audit services		
Fees payable to the Group's auditor for the audit of the Group's annual accounts	74	79
Fees payable to the Group's auditor for other services:		
Audit of the accounts of subsidiaries	-	35
Other services	7	8
Total	**81**	**134**

5. STAFF COSTS

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

	Continuing operations		Discontinued operations	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Wages and salaries	5,930	4,460	2,371	6,488
Social security costs	585	379	278	797
Pension costs	236	211	20	107
Total	**6,751**	**5,050**	**2,669**	**7,392**

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

	Continuing operations		Discontinued operations	
	2021	2020	2021	2020
Operating staff	56	58	37	115
Sales Staff	14	14	2	18
Management and administrative staff	26	27	8	50
Total	**96**	**99**	**47**	**183**

6. DIRECTORS' REMUNERATION

	2021 £'000	2020 £'000
Salaries	1,840	1,133
Fees	136	106
Benefits	5	31
Pension costs	20	19
Total	**2,001**	**1,289**

The highest paid director's aggregate remuneration was £853k (2020: £537k) including pension contributions of £11k (2020: £9k). Details of directors' remuneration, including pension contributions, are set out in the Directors' Report on page 31. The salaries include bonuses of £175k (FY20: £438k) charged to discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FINANCE COSTS

	2021 £'000	2020 £'000
BGF unsecured loan interest payable	-	55
Bank loan interest payable	-	87
Revolving Credit Facility interest payable	747	1,117
Lease interest expense	105	262
Total interest payable	852	1,521
BGF Penalty Interest	-	1,408
BGF redemption premium and finance charges	-	4,179
Total finance costs	**852**	**7,108**
Finance costs include the following amounts charged to the discontinued operations:		
Bank loan interest payable	38	170
Lease interest expense	16	104
Total interest payable	**54**	**274**
Split as follows:		
Continuing operations	798	6,834
Discontinued operations	54	274
Total finance costs	**852**	**7,108**

Interest payable on the Revolving Credit Facility is 2.95% + LIBOR. Interest paid in the year amounts to £0.7m (FY20: £1.3m).

8. TAXATION

A) TAX (CREDIT) / CHARGE FOR THE YEAR

	2021 £'000	2020 £'000
UK Corporation tax	-	(26)
Overseas corporation tax	123	305
Deferred tax credit	(199)	(17)
Current tax (credit) / charge	**(76)**	**262**

B) TAX RECONCILIATION

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

	2021 £'000	2020 £'000
Loss on ordinary activities before tax	(1,696)	(3,951)
Tax at UK corporation tax rate of 19% (2020: 19%)	(322)	(751)
Tax effect of expenses that are not deductible in determining taxable profit	60	856
Adjustment for prior periods	(70)	(72)
Deferred tax not recognised*	1,170	478
Foreign tax rate differences	15	89
Changes in deferred tax rate	(929)	(161)
Tax (credit) / charge at effective tax rate for the year	**(76)**	**262**

C) DEFERRED TAX

The deferred tax included in the balance sheet as per note 19, is as follows:

	2021 £'000	2020 £'000
Deferred tax asset	709	501
Deferred tax liability	(13)	(104)
Total	**696**	**397**

* Note that deferred tax assets on losses have only been recognised to the extent they are considered recoverable in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. PROFIT / (LOSS) PER SHARE

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

	Profit/(Loss) £'000	30 November 2021 Weighted Average Number of Shares	Per Share Amount Pence
Basic and diluted EPS			
Profit for the financial year	26,753		
Add: adjustment for non-controlling interest share of losses	(284)		
Basic EPS – Profit attributable to shareholders	27,037	57,697,017	46.9
Adjusted EPS – Profit attributable to shareholders from continuing operations	2,465*	57,697,017	4.3
Basic Diluted EPS – Profit attributable to shareholders	27,037	59,251,343	45.6
Adjusted Diluted EPS – Profit attributable to shareholders from continuing operations	2,465*	59,251,343	4.2

	Loss £'000	30 November 2020 Weighted Average Number of Shares	Per Share Amount Pence
Basic and diluted EPS			
Profit for the financial year	9,431		
Add: adjustment for non-controlling interest share of losses	(227)		
Basic EPS – Loss attributable to shareholders	9,658	57,589,857	16.8
Adjusted EPS – Profit attributable to shareholders from continuing operations	1,114*	57,589,857	1.9
Basic Diluted EPS – Profit attributable to shareholders	9,658	58,027,855	16.6
Adjusted Diluted EPS – Profit attributable to shareholders from continuing operations	1,114*	58,027,855	1.9

The profit attributable to shareholders of £27.0m (2020: £9.7m profit) is the profit for the financial year of £26.8m (2020: £9.4m profit) after adjusting for the add back of the loss attributable to non-controlling interests of £0.3m (2020: £0.2m loss).

* Non-GAAP measure, the profit attributable to shareholders from continuing operations is £2.5m (2020: £1.1m profit) after adjusting for the gain from the sale of the discontinued operations and adding back exceptional costs. See table on page 14 of the Strategic Report for further analysis of adjusted EBITDA.

10. PROPERTY, PLANT & EQUIPMENT - GROUP

	Land & Buildings £'000	Fixtures, Fittings & Infrastructure £'000	IT Hardware & Software £'000	Motor Vehicles £'000	Rental Stock £'000	Total £'000
Cost At 1 December 2019	**3,016**	**21,557**	**1,210**	**323**	**10,669**	**36,775**
Exchange Differences	65	105	39	4	189	402
Additions	314	6,040	1,149	249	3,114	10,866
Disposals	(1,669)	(2,215)	(1,391)	(212)	(13,789)	(19,276)
At 30 November 2020	**1,726**	**25,487**	**1,007**	**364**	**183**	**28,767**
Exchange Differences	(38)	(600)	(34)	-	(6)	(678)
Additions	17	5,403	582	24	40	6,066
Disposals	(566)	(17,040)	(474)	(376)	-	(18,456)
At 30 November 2021	**1,139**	**13,250**	**1,081**	**12**	**217**	**15,699**
Accumulated Depreciation At 1 December 2019	**1,123**	**15,059**	**903**	**146**	**3,679**	**20,910**
Exchange Differences	28	104	27	3	51	213
Depreciation charge	374	2,397	382	97	2,327	5,577
Disposals	(707)	(1,229)	(663)	(153)	(6,057)	(8,809)
At 30 November 2020	**818**	**16,331**	**649**	**93**	**-**	**17,891**
Exchange Differences	(22)	(526)	(14)	-	-	(562)
Depreciation charge	201	2,211	205	53	-	2,670
Disposals	(252)	(7,610)	(387)	(141)	-	(8,390)
At 30 November 2021	**745**	**10,406**	**453**	**5**	**-**	**11,609**
Net book value At 30 November 2021	**394**	**2,844**	**628**	**7**	**217**	**4,090**
At 30 November 2020	**908**	**9,156**	**358**	**271**	**183**	**10,876**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

RIGHT OF USE ASSETS

Group Property, Plant & Equipment includes the following values for Right of Use assets

	Land & Buildings £'000	Fixtures, Fittings & Infrastructure £'000	IT Hardware & Software £'000	Motor Vehicles £'000	Total £'000
Cost At 1 December 2019	**2,575**	**8,111**	**-**	**274**	**10,960**
Exchange Differences	61	17	1	2	81
Additions	277	962	865	83	2,187
Disposals	(1,530)	(2,018)	(821)	(140)	(4,509)
At 30 November 2020	**1,383**	**7,072**	**45**	**219**	**8,719**
Exchange Differences	(23)	(103)	(1)	-	(127)
Additions	6	28	23	-	57
Disposals	(283)	(3,083)	(10)	(219)	(3,595)
At 30 November 2021	**1,083**	**3,914**	**57**	**-**	**5,054**
Accumulated Depreciation At 1 December 2019	**956**	**4,748**	**-**	**146**	**5,850**
Exchange Differences	25	15	2	1	43
Depreciation charge	341	1,049	215	75	1,680
Disposals	(689)	(998)	(191)	(88)	(1,966)
At 30 November 2020	**633**	**4,814**	**26**	**134**	**5,607**
Exchange Differences	(21)	(81)	(1)	-	(103)
Depreciation charge	195	582	34	25	836
Disposals	(93)	(2,270)	(17)	(159)	(2,539)
At 30 November 2021	**714**	**3,045**	**42**	**-**	**3,801**
Net book value At 30 November 2021	**369**	**869**	**15**	**-**	**1,253**
At 30 November 2020	**750**	**2,258**	**19**	**85**	**3,112**

11. INTANGIBLE ASSETS - GROUP

	Goodwill £'000	Customer Contracts £'000	Software £'000	Intellectual Property £'000	Total £'000
Cost At 1 December 2019	**29,180**	**20,845**	**2,617**	**2,480**	**55,122**
Additions	-	217	690	-	907
Disposals of assets of discontinued operations	(17,541)	(17,203)	(3,180)	(2,465)	(40,389)
Other disposals	-	(81)	-	-	(81)
Exchange Difference	410	402	-	-	812
At 30 November 2020	12,049	4,180	127	15	16,371
Additions	-	-	53	-	53
Disposals of assets of discontinued operations	(6,414)	(96)	(127)	(15)	(6,652)
Exchange Difference	(112)	(149)	-	-	(261)
At 30 November 2021	**5,523**	**3,935**	**53**	**-**	**9,511**
Accumulated Amortisation					
At 1 December 2019	**3,391**	**18,647**	**1,626**	**2,096**	**25,760**
Impairment charge	213	-	-	-	213
Amortisation	-	972	654	-	1,626
Accumulated amortisation of assets of discontinued operations	(3,400)	(15,734)	(2,280)	(2,081)	(23,495)
Other disposals	-	(81)	-	-	(81)
Exchange Differences	8	372	-	-	380
At 30 November 2020	**212**	**4,176**	**-**	**15**	**4,403**
Amortisation	-	4	17	-	21
Accumulated amortisation of assets of discontinued operations	(212)	(96)	(17)	(15)	(340)
Exchange Differences	-	(149)	-	-	(149)
At 30 November 2021	**-**	**3,935**	**-**	**-**	**3,935**
Net book value At 30 November 2021	**5,523**	**-**	**53**	**-**	**5,576**
At 30 November 2020	**11,837**	**4**	**127**	**-**	**11,968**

ANNUAL TEST FOR IMPAIRMENT

Under IAS 36, Goodwill is tested annually for impairment, irrespective of there being any impairment indicators. For the purpose of impairment testing, goodwill and other intangibles are allocated to business units which represent the lowest level at which that those assets are monitored for internal management purposes. The recoverable amount of each cash-generating unit ('GCU') is determined from value-in-use calculations. The calculations use pre-tax cash flow projections based on financial budgets and forecasts approved by the Directors indicated that no impairment was required to the continuing operations. The year-end model utilises forecasts based upon the Group's budget, Strategy Plans and cashflows for FY22 and FY23. Over the 2-year forecast, the Group has applied compound average growth rates, pre IFRS16, for EBITDA of 2%. In accordance with IAS 36, the growth rates for beyond the initially forecast years do not exceed the long-term average growth rate for the industry. The forecasts have been discounted at a pre-tax rate of 6.7% (FY20: 8.1%). This discount rate was calculated using a pre-tax rate based on the weighted average cost of capital for the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

As at 30 November the carrying amount of goodwill is its recoverable amount, being £2.2m (FY20: £2.2m) in respect of Bigblu Norge and £3.3m (FY20: £3.3m) in respect of SkyMesh. Recognition of impairment losses was £nil (FY20: £0.2m). Impairment charges are included in Administrative Expenses in the Statement of comprehensive income. The carrying amount of goodwill was reduced by £6.2m and the carrying value of software by £0.1m as a result of the disposal of the controlling interest in QCL Holdings Ltd detailed in note 13.

Based on the results of the impairment review, the Directors have not identified any reasonably possible changes that would result in an impairment.

12. INVESTMENTS

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Subsidiaries	-	-	38,529	52,393
Other equity investments	2,240	-	2,240	-
Loan notes	3,432	-	3,432	-
Total	**5,672**	**-**	**44,201**	**52,393**
Opening balance	**-**	**52**	**52,393**	**18,018**
Movements during the year:				
Acquisition of subsidiaries from group undertaking	-	-	-	40,000
Unlisted shares acquired as consideration for sale of subsidiary	2,240	-	2,240	-
Loan notes acquired as consideration	3,360	-	3,360	-
Loan note interest	72	-	72	-
Disposal of subsidiary	-	(52)	(12,393)	(5,625)
Impairment charge	-	-	(1,471)	
Total	**5,672**	**-**	**44,201**	**52,393**

The cost of investments held by the Company at 30 November 2021 was reduced by £12.39m as a result of the disposal of QCL Holdings Limited and its subsidiary to funds managed by Northleaf Capital Partners.

SUBSIDIARY UNDERTAKINGS

Subsidiary undertakings are listed overleaf:

Non-controlling Interest in QCHL Holdings Ltd

Following the disposal of QCHL Holdings Ltd in June 2021 to Northleaf as detailed in note 13 below there are no non-controlling interests in any of the Company's subsidiaries. Prior to the disposal the final £2m tranche of equity committed by the original non-controlling investors was received in December 2020 reducing BBB's majority shareholding in QCHL Holdings to 56.93% from 62.69% at 30 November 2020.

Subsidiary Undertakings

	Address & Country of Incorporation	Class of Share	Parent Company	No of Shares	% held by parent
Bigblu Norge as	Høgdaveien 1, 1540 Vestby Norway	Ordinary	Bigblu Broadband plc	1,700,412 of 1.40Nok each	100%
SkyMesh Pty Ltd	51 Alfred Street, Fortitude Valley QLD 4006, Australia	Ordinary	Bigblu Broadband plc	20,898,680 of £0.196 each	100%
BorderNET Internet Pty Ltd	51 Alfred Street, Fortitude Valley QLD 4006, Australia	Ordinary	SkyMesh Pty Ltd	2,863,105 of £0.09 each	100%
Bigblu Broadband Limited	Tompkins Wake, Level 11, 41 Shortland Street, Auckland, 1140, New Zealand	Ordinary	SkyMesh Pty Ltd	100	100%
BBB Ausco Limited**	6th Floor 60 Gracechurch Street London EC3V 0HR	Ordinary	Bigblu Broadband plc	1 of £0.01	100%
BBB Norco Limited**	6th Floor 60 Gracechurch Street London EC3V 0HR	Ordinary	Bigblu Broadband plc	1 of £0.01	100%

* This company is exempt from annual audit.

** Dormant companies

13. DISCONTINUED OPERATIONS

DESCRIPTION

On 10 June 2021 QCL Holdings Ltd together with its subsidiary was sold to funds managed by Northleaf Capital Partners and is reported in the current year as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

The consideration due to the Company following the Disposal was total cash consideration of up to £41.2m of which £31.1m was paid on completion, with a further £10.1m as deferred contingent consideration that remains subject to certain performance conditions being met by 31 March 2022, or in certain circumstances, 31 May 2022; and £5.6m being satisfied in shares (£2.2m) and Loan Notes (£3.4m at an interest rate of 4.5% pa) that were issued to the Company on completion and an additional award of Loan Notes (with an option to convert partially into equity) of up to £1.8m subject to the conditions of the deferred contingent consideration also being met. None of the potentially receivable deferred contingent consideration of up to £11.8m has been recognised in 2021.

On 30 September 2020 Bigblu Operations Ltd together with all its subsidiaries was sold to Eutelsat SA and was reported in the prior year as a discontinued operation. On 19 January 2022 additional consideration of £2.8m cash was received as part of the final settlement with Eutelsat which had not been recognised in 2020. Accordingly, an adjustment to the value of deferred consideration is recognised in 2021 being a gain of £3.3m after expenses and release of provisions as set out below. This represents a revision of an estimate so no adjustment to comparative financial information has been made.

Group financial information for 2020 set out below is thus a combination of these two discontinued operations. 2020 comparative information throughout the Financial Statements has been adjusted to reflect the revised split of activities between continuing and discontinued operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FINANCIAL PERFORMANCE AND CASH FLOW INFORMATION

	Group	
	2021 £'000	2020 £'000
Revenue	3,091	28,908
Expenses	(3,896)	(33,983)
Loss before tax	(805)	(5,075)
Taxation on operations	(53)	391
Loss after tax of discontinued operations	(858)	(4,684)
Gain on sale of the subsidiary after tax (see below)	25,925	18,928
Adjustment to fair value of deferred consideration (see below)	3,306	-
Profit from discontinued operations	**28,373**	**14,244**
Exchange differences on translation of discontinued operations	-	(294)
Other comprehensive income from discontinued operations	**-**	**(294)**
Net cash (outflow) / inflow from operating activities	(3,133)	6,635
Net cash inflow from investing activities	25,531	27,555
Net cash inflow from financing activities	1,666	996
Net increase in cash generated by the subsidiaries	**24,064**	**35,186**
Details of sale of subsidiary		
Consideration received or receivable:		
Cash	31,094	37,222
Investments (note 12)	5,600	-
Fair value of contingent consideration	-	449
Total disposal consideration	36,694	37,671
Carrying amount of net assets sold	(13,660)	(16,058)
Elimination of non-controlling interest	5,865	-
Expenses of sale	(2,974)	(1,217)
Other Provisions (Note 17)	-	(1,468)
Gain on sale before tax	25,925	18,928
Corporation tax expense on gain	-	-
Gain on sale after tax	**25,925**	**18,928**

The investments forming part of the consideration comprise loan notes of which 40% were convertible into shares in the business of QCL. The option to convert was exercised resulting in the Company owning unlisted shares valued at £2.2m and loan notes valued at £3.4m at November 2021.

The carrying amount of assets and liabilities as at the date of sale (10 June 2021) were:

	10 June 2021 £'000
Property, plant and equipment	9,597
Intangible assets	6,312
Cash and cash equivalents	2,533
Inventory	236
Trade and other receivables	1,292
Total assets	19,970
Trade and other payables	4,310
Loans	2,000
Total liabilities	6,310
Net assets	**13,660**

The adjustment to deferred consideration for the disposal in 2020 to Eutelsat comprises:	2021 £'000
Additional cash consideration receivable	2,843
Release of provision and accrued income	1,206
Expenses of sale	(743)
Total	**3,306**

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash and bank accounts	5,201	15,306	1,550	10,700
Total	**5,201**	**15,306**	**1,550**	**10,700**

15. INVENTORY

	Group	
	2021 £'000	2020 £'000
Finished goods	699	896

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

Write down of inventories to net realisable value amounted to £25k (2020: £151k) all related to continuing operations. No costs were recognised as an expense during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade receivables	802	708	146	40
Other receivables	318	1,486	34	187
Deferred consideration	2,843	449	2,843	449
Prepayments and accrued income	954	1,155	59	19
Amounts due from group undertakings	-	-	842	552
Total	**4,917**	**3,798**	**3,924**	**1,247**

MOVEMENT IN PROVISION FOR IMPAIRMENT OF RECEIVABLES

Individually impaired	2021 £'000	2020 £'000
As at 1 December 2020	188	1,796
Charged / (Credited) to Income statement	88	(217)
Provision transferred on sale of subsidiaries	(13)	(1,358)
Utilised	(235)	(33)
As at 30 November 2021	**28**	**188**

The average credit days taken on sales of goods and services is 7 days (2020: 7 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 £330k (2020: £159k) which are past due at the reporting date. The directors consider that the carrying amount of trade receivables approximates to their fair value.

	2021 £'000	2020 £'000
Accounts receivable ageing:		
Current	475	549
30-60 days	67	41
60-90 days	21	22
90-120 days	239	96
As at 30 November 2021	**802**	**708**

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before 30 November 2021 or 1 December 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

17. TRADE AND OTHER PAYABLES

	Group		Company	
Current	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade payables	4,496	5,893	642	701
Other taxes and social security	966	1,198	528	577
Other payables	82	536	48	229
Accruals and deferred income	3,253	3,915	2,662	864
Lease liabilities	623	965	-	-
Provisions for liabilities and charges	685	1,468	-	1,468
Total	**10,105**	**13,975**	**3,880**	**3,839**

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average creditors days taken for trade purchases is 81 days (2020: 73 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame. The directors consider that the carrying amount of trade and other payables approximates to their fair value.

The Group recognises provisions in the relevant year's balance sheet based on estimates relating to certain outcomes, including restructuring costs, and costs associated with the M&A activities as presented in note 13. As in 2020, the provisions as at 30 November 2021 are expected to be utilised within the next 12 months following the end of the financial year, to cover any such costs.

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

The breakdown of the provisions carrying value is as follows:

	Group and Company	
	2021 £'000	2020 £'000
Other provisions (Note 13)	685	1,468
Total provisions	**685**	**1,468**

Movements in the provision during the year were as follows:

	Group and Company	
	2021 £'000	2020 £'000
Carrying amount at start of year	1,468	328
Utilised during the year	(1,468)	(328)
Charged to discontinued operations	783	1,468
Total provisions	**685**	**1,468**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. NON-CURRENT LIABILITIES

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Revolving credit facility	-	7,877	-	7,877
Total loans	-	7,877	-	7,877
Lease liabilities	835	2,628	-	-
Total	**835**	**10,505**	**-**	**7,877**

The unsecured Revolving Credit Facility (RCF) obtained in December 2019 was repayable by December 2024, and attracted interest at a variable rate of 2.95% + LIBOR. It was repaid during the year and a reduced new £5m RCF was set up which was fully undrawn at the year end . Leases attract interest at a rate of between 3.25% and 6%. The revolving credit facility is subject to a fixed charge over the company's assets, as registered at Companies House.

MATURITY OF LEASE LIABILITIES

	Group	
	2021 £'000	2020 £'000
Due 1 – 2 years	393	994
Due 2 – 5 years	442	1,634
Total	**835**	**2,628**

MATURITY OF LOANS

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Due 1 – 2 years	-	-	-	-
Due 2 – 5 years	-	7,877	-	7,877
Due over 5 years	-	-	-	-
Total	**-**	**7,877**	**-**	**7,877**

19. DEFERRED TAXATION

	2021 £'000	2020 £'000
At 1 December	**(397)**	**(409)**
Movement in relation to discontinued operations	(92)	(228)
Transfer to Statement of Comprehensive Income	(207)	240
At 30 November	**(696)**	**(397)**
Deferred tax is provided as follows:		
Accelerated capital allowances	408	530
Tax losses	288	(133)
Total	**696**	**397**
Geographical split of deferred tax asset/(liability):		
United Kingdom	-	(100)
Europe	709	501
Rest of the World	(13)	(4)
Total	**696**	**397**

20. SHARE CAPITAL

	No. of Shares No.	Share Capital £	Share Premium £
At 30 November 2020	57,589,857	8,638,476	23,918,802
Shares issued in the year			
Shares issued at 15p each	736,263	110,442	325,021
Reclassification of merger relief reserve	-	-	10,260,730
Redemption of B shares bonus issue	-	-	(25,915,436)
At 30 November 2021	**58,326,120**	**8,748,918**	**8,589,117**

All shares issued during the year were as a result of share option exercises generating a total value of £435k

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

21. OTHER CAPITAL RESERVES – GROUP

LISTING COST RESERVE

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

FOREIGN EXCHANGE TRANSLATION RESERVE

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

SHARE OPTION RESERVE

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

MERGER RELIEF RESERVE

The merger relief reserve relates to share premium attributable to shares issued in relation to the acquisition of Bigblu Operations Limited in May 2015. Costs of £Nil (2020: £Nil) were offset against the merger relief reserve during 2021.

REVERSE ACQUISITION RESERVE

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

OTHER EQUITY RESERVE

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

SHARE PREMIUM

Share premium represents the excess consideration over nominal value net of issue costs and amounts to £8.6m (2020: £34.1m). Costs of £0.3m (2020: £Nil) were offset against the share premium account during 2021 in relation to the return of capital and the transfer of c£26m to the capital redemption reserve.

CAPITAL REDEMPTION RESERVE

The capital redemption reserve relates to the cash redemption of the bonus B shares issued in order to return c.£26m to ordinary shareholders.

22. LEASE ARRANGEMENTS

THE GROUP AS LESSEE

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

	Continuing operations		Discontinued operations	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Depreciation of ROU assets				
Land & buildings	167	162	28	179
Fixtures, fittings & infrastructure	384	565	198	484
IT hardware and software	34	26	-	189
Motor vehicles	-	15	25	60
Total	**585**	**768**	**251**	**912**
Interest expense (included in finance cost)	90	160	16	102
Expense relating to leases of low-value assets (included in administrative expenses)	57	65	-	-

The total cash outflow for leases was £1,137k (2020: £1,926k).

	Continuing operations		Discontinued operations	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
The Group as lessor				
Minimum lease receipts under operating leases recognised as income in the year	-	-	-	304

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

	2021 £'000	2020 £'000
Within one year	-	-
Within 2 – 5 years	-	-
Total	**-**	**-**

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

23. RELATED PARTY TRANSACTIONS

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

REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

	2021 £'000	2020 £'000
Short-term employment benefits	1,981	1,361
Pension costs	20	19
Share based payments	337	332
Total	**2,338**	**1,712**

24. SHARE-BASED PAYMENTS

EMPLOYEE SHARE OPTIONS

The Group has in place share option schemes for employees of the Group. Options are exercisable at the price agreed at the time of the issue of the share option. The performance conditions vary between employees. If the options remain unexercised after a period of 5 years from date of grant (10 years for Executives) 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 outstanding during the year are as follows:

	2021		2020	
	Number of Share Options	Weighted Average Exercise price	Number of Share Options	Weighted Average Exercise price
Outstanding at beginning of year	4,187,226	43.68p	5,246,254	57.60p
Exercised during the year	(736,263)	59.14p	(18,978)	29.64p
Cancelled during the year	(1,883,304)	20.49p	(1,040,050)	106.42p
Outstanding at end of year	**1,567,659**	**24.06p**	**4,187,226**	**43.68p**
Exercisable at end of year	**578,742**	**65.18p**	**1,299,551**	**100.98p**

The options outstanding at 30 November 2021 had a weighted average exercise price of 24.06p (2020: 43.68p), and a weighted average remaining contractual life of 4 years (2020: 4 years).

No new options were granted during the year (2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

LONG TERM INCENTIVE PLAN

During 2018 an executive long-term incentive plan (LTIP) was put in place following consultation with a number of shareholders with performance criteria based on 2 key metrics: 50% based on how the BBB share price performs and 50% based on how BBB performs against a basket of similar companies. It was agreed that awards would be considered annually by the Remuneration committee and post the disposal all such schemes including Management Incentive Plans would be reviewed for appropriateness.

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

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

The maximum term of options granted under the LTIP is 10 years from grant date. Expiry dates range from May 2022 to August 2029. At 30 November 2021 there were a total of 1,264,054 options outstanding, with an exercise price of 15p, of which 275,137 have vested. Options are settled by issue of equity in exchange for cash

DETAILED PLAN RULES

The Plan was issued for the first time in 2018 and the remuneration committee of the Board of the Company shall have the right to decide, in its sole discretion, whether or not further awards will be granted in the future and to which employees those awards will be granted. The rules were clear that grants were at the discretion of the Board including TSR (Total Shareholder Return) considerations that needed to be taken into account before further awards could be made.

Expected volatility was determined by assessing the movements of the share price since the readmission to AIM in May 2015.

OTHER EMPLOYEE OPTIONS

The maximum term of options granted under other schemes is 10 years from date of grant. This term applies to all of the 303,605 options vested as at 30 November 2021 with anticipated lapse dates ranging between March 2026 and March 2027. Options are settled by issue of equity in return for cash.

The Group recognised total expenses of £163k (2020: £332k), related to equity-settled share-based payment transactions as follows:

	2021 £'000	2020 £'000
Share option charge (all related to LTIP)	337	332
Adjustment for cancellation of options before vesting	(174)	-
Total share option expense	**163**	**332**

NON-EMPLOYEE OPTIONS

In addition to the above in 2020 there was also a share option charge relating to the BGF options at the time of refinancing (£1,023k). This was classified as a finance cost with the corresponding entry in the other equity reserve in the Consolidated Statement of Financial Position.

As at 30 November 2021, BGF own c.4.5m shares in BBB, as well as options c.4.9m shares at an exercise price of 68.5p, expiring in May 2024. In addition, during the year ended 30 November 2020, BBB granted BGF an additional 1.8m options at an exercise price of 90p expiring May 2024.

25. FINANCIAL RISK MANAGEMENT

BACKGROUND

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout the financial statements. The "financial instruments" which are affected by these risks comprise borrowings, cash and liquid resources used to provide finance for the Group's operations, together with various items such as trade debtors and trade creditors that arise directly from its operations, inter-company payables and receivables, and any derivatives transactions (such as interest rate swaps and forward foreign currency contracts) used to manage the risks from interest rate and currency rate volatility.

GENERAL OBJECTIVES, POLICIES AND PROCESSES

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to meet their financial obligations as they arise 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 20 to 21.

CREDIT RISK

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments. The Group's exposure to credit risk is primarily attributable to its trade receivables. Credit risk is managed locally by the management of each business unit. Prior to accepting new customers, credit checks are obtained from reputable external sources. The amounts presented in the balance sheet are net of allowance for doubtful receivables (see note 15 for more details). An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction on the recoverability of the cash flows. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with low credit risk assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. 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 17.

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).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

INTEREST RATE RISK

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

BORROWINGS CONTRACTUAL MATURITIES AND EFFECTIVE INTEREST RATE ANALYSIS

In respect of interest bearing financial liabilities, the table in note 17 indicates the undiscounted amounts due for the remaining contractual maturity (including interest payments based on the outstanding liability at the year end) and their effective interest rates. The ageing of these amounts is based on the earliest dates on which the Group can be required to pay. The HSBC Facility is reported quarterly to the bank in the form of convenant compliance reporting, which monitors actuals performance by a number of specific monetary measurements.

NON-INTEREST BEARING LIABILITIES

Details of trade and other payables falling due within one year are set out in Note 16.

CURRENCY RISK

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

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

TRADING

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

26. FINANCIAL INSTRUMENTS

The Group has the following financial instruments:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets				
Cash & cash equivalents	5,201	15,306	1,550	10,700
Trade receivables	802	708	146	40
Amounts owed by group undertakings	-	-	3,171	552
Other receivables	318	1,486	34	187
Total	**6,321**	**17,500**	**4,901**	**11,479**
Financial liabilities				
Trade payables	4,496	5,893	642	701
Other creditors	82	536	48	229
Lease liabilities	1,458	3,593	-	-
Total	**6,036**	**10,022**	**690**	**930**

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

27. CONTRACT BALANCES

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

	2021 £'000	2020 £'000
Accrued income – included in Prepayments and accrued income	-	-
Total contract assets	**-**	**-**
Deferred income – included in Accruals and deferred income	(838)	(887)
Total contract liabilities	**(838)**	**(887)**

Revenue recognised during 2021 that was included in the contract liability balance at the beginning of the year amounted to £0.89m (2020: £1.66m). There was no revenue recognised in the year from performance obligations satisfied in previous periods. The satisfaction of the group's performance obligations typically occurs before invoicing and payment for activation fees and other charges for services that are satisfied at a point in time, giving rise to accrued income. For airtime charges, which are satisfied over a period of time, payment will typically occur during the period being invoiced, which is usually done at the start of a calendar month or a quarter, giving rise to deferred income.

Significant movements arose due to the disposal of Quickline. Contract liabilities disposed of amounted to £0.10m deferred income as at the date of sale.

Balances of contract assets and liabilities related to the continuing operations in 2021 were £nil accrued income and £0.84m deferred income respectively.

28. POST BALANCE SHEET EVENTS

SkyMesh, AUSTRALIA

As announced in February 2021, SkyMesh signed an agreement with Kacific to provide services into New Zealand and has signed its first customers in December 2021.

The Company completed the acquisition of customers and certain business assets from Clear Networks (Pty) Ltd ("Clear") in January 2022. Clear is an Australian ISP based in Melbourne offering a suite of NBNCo broadband products, as well as a private fixed wireless network serving primarily the greater Melbourne area. This acquisition has helped the company strengthen its presence in this area as SkyMesh looks to grow its presence across Australia. Clear has 2.2k customers (3k connections) which were acquire for an initial purchase price of AUS$2.4m (£1.3m) with a further maximum earn out potential of up to AUS$0.5m (£0.3m). The earn out based on the total contract value of the sales pipeline delivered in the 12 months post completion.

Further disclosure of business combination accounting for the purposes of IFRS 3 has not been presented as the acquisition accounting analysis of the transaction has not yet been completed.

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