

Company Registration No. 07486862 (England and Wales)

**ORIGIN BROADBAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

PAGES FOR FILING WITH REGISTRAR

ORIGIN BROADBAND LIMITED

COMPANY INFORMATION

Directors Mr O J Bryssau
 Mr H T L Wust
 Prof. M G D Hurley
 Mr A P Simpson (Appointed 7 February 2018)
 Mr R M Davis (Appointed 3 August 2018)

Company number 07486862

Registered office Unit 7, Callflex Business Park
 Doncaster Road, Wath-upon-Dearne
 Rotherham
 S63 7EF

Auditor Knowles Warwick Limited
 183 Fraser Road
 Sheffield
 S8 0JP

Bankers Barclays
 Ten Pound Walk
 Doncaster
 DN4 5HJ

 HSBC
 Merit House
 Saxon Way
 Priors Park West
 Hessle
 East Yorkshire
 HU13 9PB

ORIGIN BROADBAND LIMITED

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ORIGIN BROADBAND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continued to be that of internet service and telecommunications provider.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr O J Bryssau	
Mr H T L Wust	
Mr G M Orme	(Resigned 2 February 2018)
Mr S R Cardwell	(Resigned 22 May 2018)
Prof. M G D Hurley	
Mr R L H Moore	(Resigned 11 July 2018)
Mr A P Simpson	(Appointed 7 February 2018)
Mr R M Davis	(Appointed 3 August 2018)

Auditor

Knowles Warwick Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern

Note 1.2 of the accounting policies in the notes to the financial statement sets out the factors the directors have considered in arriving at the conclusion that it is appropriate to draw up these financial statements on the going concern basis. The investment raise of £3.5m during the financial year, combined with £3.25m in May 2018, have strengthened the capital base.

Further fundraise work is ongoing to support the company's significant potential growth plans.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr A P Simpson
Director
4 September 2018

ORIGIN BROADBAND LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

ORIGIN BROADBAND LIMITED

BALANCE SHEET

AS AT 31 MARCH 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		2,361		2,777
Tangible assets	5		2,182,606		1,844,579
Current assets					
Stocks		-		39,084	
Debtors	6	3,347,773		2,628,848	
Cash at bank and in hand		13,687		539,816	
			<u>3,361,460</u>	<u>3,207,748</u>	
Creditors: amounts falling due within one year	7	<u>(7,423,242)</u>		<u>(3,216,677)</u>	
Net current liabilities			<u>(4,061,782)</u>		<u>(8,929)</u>
Total assets less current liabilities			<u>(1,876,815)</u>		<u>1,838,427</u>
Creditors: amounts falling due after more than one year	8		<u>(172,107)</u>		<u>(413,681)</u>
Net (liabilities)/assets			<u><u>(2,048,922)</u></u>		<u><u>1,424,746</u></u>
Capital and reserves					
Called up share capital	10		713,911		713,025
Share premium account			6,578,496		3,079,531
Revaluation reserve			918,090		972,095
Profit and loss reserves			<u>(10,259,419)</u>		<u>(3,339,905)</u>
Total equity			<u><u>(2,048,922)</u></u>		<u><u>1,424,746</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 4 September 2018 and are signed on its behalf by:

Mr A P Simpson
Director

Company Registration No. 07486862

ORIGIN BROADBAND LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Share premium account £	Revaluation reserves £	Profit and loss reserves £	Total £
Balance at 1 December 2015		201	39,956	1,026,100	(1,243,814)	(177,557)
Period ended 31 March 2017:						
Loss for the period		-	-	-	(2,150,096)	(2,150,096)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	(54,005)	-	(54,005)
Total comprehensive income for the period		-	-	(54,005)	(2,150,096)	(2,204,101)
Issue of share capital	10	712,824	3,039,575	-	-	3,752,399
Transfers		-	-	-	54,005	54,005
Balance at 31 March 2017		713,025	3,079,531	972,095	(3,339,905)	1,424,746
Period ended 31 March 2018:						
Loss for the period		-	-	-	(6,973,519)	(6,973,519)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	(54,005)	-	(54,005)
Total comprehensive income for the period		-	-	(54,005)	(6,973,519)	(7,027,524)
Issue of share capital	10	886	3,498,965	-	-	3,499,851
Transfers		-	-	-	54,005	54,005
Balance at 31 March 2018		713,911	6,578,496	918,090	(10,259,419)	(2,048,922)

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Origin Broadband Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 7, Callflex Business Park, Doncaster Road, Wath-upon-Dearne, Rotherham, S63 7EF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of exchange equipment. The principal accounting policies adopted are set out below.

1.2 Going concern

Origin Broadband (the company) saw significant growth in 2017/18, with 177% growth in revenue combined with 192% growth in customer numbers. Having established a residential customer base, the company spent the second half of 17/18 focused on system and process improvement to support future growth in the following financial year.

The high growth experienced by the company has seen significant up-front costs combined with overhead costs and prudent bad debt assumptions leading to a full year loss to 31 March 2018 of £7.0m. During 2017/18, the company raised £3.5m in investment from our institutional EIS investor, combined with a further £3.25m raise in May 2018 that returned the business to a positive net asset position combined with increased cash funds. This final investment tranche was a combined investment between our incumbent EIS investor combined with a new VC based investor.

The company is currently working with this new VC investor to provide significant capital funding against subscriber targets which will give the business headroom to operate in the long term.

The directors have prepared financial and cash flow forecasts based on both the new investment being delivered, or alternatively no new investment and a scaled back growth plan, for at least 12 months, considering key sensitivities around churn and sales. On the basis of these forecasts, the directors have a reasonable expectation that the company will have adequate resources to continue to operate for the foreseeable future.

As a result of the above, these financial statements have been drawn up on a going concern basis.

1.3 Reporting period

The financial statements presented cover a 12 month period which is not entirely comparable to the prior period which was 16 months in length. The prior year was extended so that the investment received in December 2016 could be incorporated within the most recent set of financial statements.

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

1.4 Turnover

Turnover represents amounts in respect of goods and services supplied in the year net of VAT and trade discounts and is measured at the fair value of the consideration received and receivable. Revenue from rentals and installations are recognised evenly over the contract period.

1.5 Intangible fixed assets - goodwill

The goodwill acquired in the year ended 30 November 2014 relates to the purchase of a customer base from a competitor. Acquired goodwill is written off in equal annual installments over its estimated useful economic life, which is expected to be 10 years.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings leasehold	10% reducing balance basis
Fixtures, fittings & equipment	10% reducing balance basis
Exchange equipment	5% straight line basis
Motor vehicles	25% reducing balance basis
Network equipment	33% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Depreciation is charged on a monthly basis from the point of acquisition for all assets.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies **(Continued)**

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

(Continued)

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 Taxation

The tax income represents the sum of the tax rebates due from surrendered R&D tax credits.

Current tax

The tax rebate currently due is based on the surrendered enhanced R&D costs for the year. The company has significant tax losses that will be relieved when taxable profits are made.

Deferred tax

Full provision is made for deferred tax liabilities arising from timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computations.

Deferred tax arising on the losses of the business greatly exceed any deferred tax liabilities.

A net deferred tax asset is only recognised if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. As the company cannot confidently make this assessment, deferred tax assets are only recognised to the extent that they extinguish any deferred tax liabilities.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

1.18 Deferred income and initial customer costs

Deferred income represents the part of the amount invoiced to customers that has not yet met the criteria for income recognition and this is still to be earned as income, by means of service delivery in the future.

The initial costs associated with the commencement of new customer connections are incurred on inception and are deferred over the contract term of the customer, typically 12 to 36 months. These costs are expensed to the profit & loss account as the contract term progresses, they are not capitalised as fixed assets.

2 Exceptional costs

	2018	2017
	£	£
Supplier dispute settlement	102,848	-

During the year the company entered a dispute with a supplier acting as a reseller of Origin Broadband services. In order to cease contract with the reseller and sever ties total costs of £102,848 were incurred, of which £30,000 was in settlement. This has been treated as an exceptional item as the provision of services to resellers is not the core business of Origin Broadband and as such this has been separated to provide comparable financial statements.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 75 (2017 - 46).

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 April 2017 and 31 March 2018	4,167
Amortisation and impairment	
At 1 April 2017	1,390
Amortisation charged for the year	416
At 31 March 2018	1,806
Carrying amount	
At 31 March 2018	2,361
At 31 March 2017	2,777

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

5	Tangible fixed assets	Land and buildings	Fixtures, fittings & equipment	Exchange equipment	Motor vehicles	Network equipment	Total
		leasehold					
		£	£	£	£	£	£
	Cost or valuation						
	At 1 April 2017	2,569	194,954	1,516,252	6,128	421,934	2,141,837
	Additions	219,183	74,310	81,999	-	601,809	977,301
	Disposals	(11,775)	(1,714)	(8,711)	(6,128)	(421,934)	(450,262)
	At 31 March 2018	209,977	267,550	1,589,540	-	601,809	2,668,876
	Depreciation and impairment						
	At 1 April 2017	669	36,406	187,781	255	72,147	297,258
	Depreciation charged in the year	4,655	48,829	75,547	1,341	274,384	404,756
	Eliminated in respect of disposals	(1,509)	-	-	(1,596)	(212,639)	(215,744)
	At 31 March 2018	3,815	85,235	263,328	-	133,892	486,270
	Carrying amount						
	At 31 March 2018	206,162	182,315	1,326,212	-	467,917	2,182,606
	At 31 March 2017	1,900	158,548	1,328,471	5,873	349,787	1,844,579

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 Tangible fixed assets

(Continued)

During the year ended 30 November 2014 the directors of the company personally undertook a revaluation of the equipment sited in exchanges that has an expected lifetime of 20 years. The revaluation is based on replacement cost of the assets in place using industry list prices and the directors knowledge of the equipment. Having performed a similar valuation at the period ended 31 March 2018 the directors believe the revaluation remains appropriate.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2018	2017
	£	£
Cost	1,588,771	1,061,732
Accumulated depreciation	(378,260)	(261,216)
Carrying value	<u>1,210,511</u>	<u>800,516</u>
6 Debtors	2018	2017
	£	£
Amounts falling due within one year:		
Trade debtors	948,379	727,781
Corporation tax recoverable	522,469	236,924
Other debtors	230,803	32,181
Prepayments and accrued income	878,526	481,261
Directors loan accounts	175,973	137,632
Deferred costs	398,006	861,109
	<u>3,154,156</u>	<u>2,476,888</u>
	2018	2017
	£	£
Amounts falling due after more than one year:		
Deferred costs	193,617	151,960
	<u>193,617</u>	<u>151,960</u>
Total debtors	<u>3,347,773</u>	<u>2,628,848</u>

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

7 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts		203,735	133,772
Other borrowings		130,739	-
Trade creditors		4,827,573	1,416,510
Corporation tax		4,006	10,902
Other taxation and social security		344,660	35,743
Other creditors		2,952	587
Accruals		631,187	394,947
Deferred income		1,278,390	1,224,216
		<u>7,423,242</u>	<u>3,216,677</u>

8 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank and other loans		71,411	155,819
Other borrowings		10,824	-
Deferred income		89,872	257,862
		<u>172,107</u>	<u>413,681</u>

9 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2018 Number	2017 Number	2018 £	2017 £
Outstanding at 1 April 2017	-	-	-	-
Granted	134,900	-	7.84	-
Outstanding at 31 March 2018	<u>134,900</u>	<u>-</u>	<u>7.84</u>	<u>-</u>
Exercisable at 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options were originally issued within the year to founder shareholder directors to both incentivise and limit the erosion of their equity stake as it was diluted through repeated fundraising. The options outstanding at 31 March 2018 were cancelled as a result of the fundraise held in May 2018.

Therefore a £nil value for the options has been recorded at the year end and no adjustment to the profit & loss account for the share based payment has been made.

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

10 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
106,800 Ordinary shares of 1p each	1,068	1,068
184,185 B Ordinary shares of 1p each	1,842	956
711,001 Deferred shares of £1 each	711,001	711,001
	<u>713,911</u>	<u>713,025</u>
	<u><u>713,911</u></u>	<u><u>713,025</u></u>

The company has 3 classes of share:

Ordinary shares and B Ordinary shares entitle the holders to receive notice of or to attend or vote at a general meeting and carry one vote per share. Ordinary shares and B Ordinary shares carry no right to fixed income. In the event of a distribution of profits the distribution shall be applied amongst the holders of the Ordinary and B Ordinary shares as if they constituted one class of share in proportion to the percentage of shares held by them.

Deferred shares do not entitle the holders to receive notice of or to attend or vote at a general meeting. Deferred shares do not entitle the holders to participate in any profits or assets of the company.

On 28 July 2017 49,972 B Ordinary shares of £0.01 each were issued and fully paid at a premium of £39.51 per share, for a cash consideration, to fund sales growth and meet working capital requirements.

On 4 October 2017 632 B Ordinary shares of £0.01 each were issued and fully paid at a premium of £39.51 per share, for a cash consideration, to meet working capital requirements.

On 25 January 2018 37,955 B Ordinary shares of £0.01 each were issued and fully paid at a premium of £39.51 per share, for a cash consideration, to meet working capital requirements.

On 21 May 2018 436,682 B Ordinary shares of £0.01 each were issued and fully paid at a premium of £6.87 per share, for a cash consideration, to meet working capital requirements.

On 30 May 2018 36,390 B Ordinary shares of £0.01 each were issued and fully paid at a premium of £6.87 per share, for a cash consideration, to meet working capital requirements.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter - going concern

We draw attention to the statement of financial position and the notes concerning going concern. On the basis that major suppliers and investors continue to support the company it can be considered a going concern and we have not seen anything to suggest that this is not the case.

However should support from creditors end or continued support from investors fail to materialise, the company does not have the cash generative ability to continue trading in its current form.

The senior statutory auditor was Steven Knowles.

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

11 Audit report information (Continued)

The auditor was Knowles Warwick Limited.

12 Financial commitments, guarantees and contingent liabilities

There were no contingent liabilities at the period end (2017 - £nil)

13 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018	2017
	£	£
	1,054,577	37,260
	<u>1,054,577</u>	<u>37,260</u>

14 Related party transactions

During the prior period a loan from Finance Yorkshire Equity LP was written off as part of the package of measures needed to secure additional equity funding. Of the loan, £350,000 was written off and £200,000 converted into share capital. The loan balance at the period end was £nil (2017 - £nil).

15 Directors' transactions

Loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Closing balance £
Mr H T L Wust - Directors loan	2.50	71,015	10,421	1,906	83,342
Mr O J Bryssau - Directors loan	2.50	66,617	24,047	1,966	92,630
		<u>137,632</u>	<u>34,468</u>	<u>3,872</u>	<u>175,972</u>

The loans made to directors are repayable upon demand.

Subsequent to the year end O Bryssau returned £35,000 to the company.

16 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.