Toople Plc

Annual Report & Accounts

for the year ended

30 September 2020

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Company Information

Directors
Richard Horsman (Chairman & Non-Executive Director)
Kevin Lawrence (Non-Executive Director)
Andrew Hollingworth (Chief Executive Officer)
Paul White (Chief Financial Officer)

Company Secretary
WKH Company Secretary Services

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Introduction

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

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

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

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

Highlights

- Successful placing to raise gross proceeds of £1.2 million to fund the acquisition of DMS Holding 2017 Limited ("DMSL"), completed on 18 February 2020

- Reorganisation of business into four main trading brands

- Successful integration of DMSL, with annual cost synergies of over £1.6 million now being realised compared with initial guidance of £50,000 per month

- Group revenue grew year on year by 40% to £3.4 million with a seven months' contribution from DMSL

- Gross profit increased by 130% to £1.1 million (FY 2019: £479k)

- Increase in overall gross margin from 20% to 32% - a significant improvement following acquisition of DMSL which delivered a gross margin of 44% for the period

- Improved performance in the Toople.com business achieved by reducing carrier costs and ceasing services to poor paying or bad debt customers

- Active cost control and management

- 23% reduction in marketing costs reflecting change in strategy, with more focus on DMSL business and recognizing COVID-19 impact

- Administrative expenses only increased by 8%, despite 40% increase in revenues

- New contract wins and contract extensions reported for the Group

- Launch of a telecoms price comparison website and a credit reference checking and report company, complementing the Group's IT and telecoms services

- Cash at bank at 30th September 2020 was over £568,000

- Proactive approach to bad debts has resulted in a charge of £1.1m providing for legacy bad debt issues; the impacts of Covid-19; any potential adverse effects of Brexit; and reducing the group's risk for out of term customers as a part of our strategy towards future risk created by the pandemic.

- New client onboarding measures in place including credit checking and digital document signature requirement

At a Glance

The Group's core target market is the SME sector, specifically small to medium size business with 20 employees or less, which is the largest volume of UK business within the segment. We also have an increasing number of enterprise size business with multiple geographical locations that place orders within the Group as cloud based solutions lend themselves to multi-site organisations supported by high speed, high bandwidth capability, which is a core competency for the Group.

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

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

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

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

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

Toople is:

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

Business Model

Toople's business model has two distinct channels:

Retail component

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

Wholesale component

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

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

As a wider Group following the acquisition of DMSL, we also have over 100 registered wholesale partners who resell the Group's services in a dual branded wholesale partnership based on a gross margin share. This drives further enterprise value for the Group as the end user is contracted to the Group rather than the wholesale partner.

Strategy

There are approximately 5.9 million SMEs in the UK. These are the businesses that we are targeting.

Future strategy:

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

Investment proposition:

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

Growth opportunities:

Organic

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

Acquisitions

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

Chairman's Statement

Introduction

2020 has been a remarkable year, and we are fortunate enough to say that it was a transformative period for our Company. During the reported period we acquired DMSL, raised funds to bolster our balance sheet, restructured into four distinct operating brands and have exceeded the financial and operational synergies anticipated at the time of the acquisition. The integration of DMSL is complete and its service offering continues to resonate with both existing customers, who have extended and augmented contracts, as well as with new ones who see the value of our proposition that provides bespoke telecoms services for our target market of UK SMEs with between 1 and 50 employees.

COVID-19

The COVID-19 pandemic has seen good quality and reliable connectivity become an absolute necessity, further validating our service offering and highlighting the attractiveness of our fixed pricing structure. Overall, the telecommunications sector has not felt the most severe effects of the COVID-19 pandemic, but we will not be completely immune from the longer lasting macroeconomic impacts of the virus. Clearly, the wellbeing and safety of our workforce continues to be a key focus for the management team and thankfully, they have been able to work safely work from home ensuring business continuity for Toople and its customers.

Following the COVID-19 outbreak, we quickly deployed our own unified communications platform across the entire workforce, enabling our people in the UK, South Africa and Poland to work remotely and without disruption to any of the Company's key business functions. As a result, our sales, billing and customer support functions have remained largely unaffected and the business has continued to perform solidly, signing new customers and servicing existing ones.

As I write this, extended lockdown measures are now in place which will undoubtedly lead to subsequent economic challenges, and may lead to an element of negative bad debt recoverability. We will continue to focus on this area closely, whilst continuing to manage our cost base prudently. This cost management and the fact that we have over delivered on the promised acquisition synergies, should go a long way towards offsetting any bad debt and accelerate the Company's position to achieve cash profitability.

Acquisition and Fundraisings

In January 2020 we announced a successful placing to raise gross proceeds of £1.2 million and the issue of £1.625 million loan notes to fund the acquisition of DMS Holding 2017 Limited ("DMSL"). The total consideration for the acquisition was £1.56 million, which was paid for by a cash payment of £376,000 and the issue of new ordinary shares in Toople. The commercial benefits of the acquisition have already become evident.

We are very pleased to have completed this acquisition and would like to thank all the shareholders, old and new, who have backed us, as well as our new debt finance partners HomeSelect Finance. We believe that the combined business will now assist Toople towards EBITDA profitability and cash self-sufficiency, reducing previous reliance on the market to provide funds for working capital.

Following the acquisition of DMSL we undertook a review of the entire business and implemented a plan to restructure and reorganise the Group into four main brands: www.toople.com; www.dmsluk.co.uk; broadbandandphones.co.uk; and www.checkthatcompany.co.uk, further simplifying our business propositions for our customers. As part of this review, a number of initiatives were put in place, which have delivered substantial cost savings and synergies of £600,000 per annum. I am pleased to say that these have now been achieved, and overall the Company is now achieving £1.6m of annualised synergies and savings.

Growth Drivers

The macro drivers which are expected to precipitate substantial growth for the Group also remain in place, namely HM Government's commitment to the rolling out of fibre telecommunication infrastructure to replace the legacy copper infrastructure by 2025 and the necessary and ultimately unavoidable upgrade of the country's network from 4G to 5G. The Board remains positive about the Company's future prospects driven by a number of factors, not least a noticeable switch by UK SMEs to superfast fibre broadband and VoIP telephony.

All the Group brands differentiate themselves in the market by offering IT, telecoms and broadband solutions, with robust and reliable packages, that enhance a customer's business and are based on trust and transparency, with no hidden fees within pricing policies. This provides customers with a clear understanding of cost and fixed prices for the duration of their contracts.
The Company continues to focus on margin enhancing customers, which as previously advised, will lead to a decline in headline revenues in the short term.

Post Balance sheet Events and Board Change

In October 2020, just after the reported period end, our brokers informed us of the opportunity to raise additional funds for the Company by way of an equity Placing. Accordingly, given the wider economic uncertainty caused by COVID-19, the Board we felt it prudent to pursue this. As a result we successfully raised £774,000 (before expenses). The Placing was significantly oversubscribed and utilised all of the existing share issue capability of the Company. We are grateful to existing shareholders for the support they have shown to the Company and welcome new shareholders to the register.

The Company has made substantial operational and financial progress in recent months and securing this injection of capital has positioned the business with a healthier balance sheet. We are well capitalised and look forward to executing on our growth strategy.

The Company also announced that Kevin Lawrence, who had been CFO since June 2018, would become a Non-Executive Director of the Company effective from 1 October 2020 and chair the audit and remuneration committees. Paul White, who joined the Company as Financial Controller in June 2020 was appointed CFO from 1 October 2020. Paul worked closely with Kevin since joining the Company developing an excellent knowledge of the Group's operating subsidiaries, financial processes and systems and we welcome him to his new role.

Summary

The news about a vaccine roll-out in the UK has given everyone a boost, but given the general economic uncertainty in the UK with the full economic impact of COVID 19 not yet fully clear, and the UK once again facing a national lockdown with further lockdown restrictions likely to continue well into 2021, we must remain vigilant on costs.

That said, trading has progressed well in the first few months of FY20/21, with notable contract wins and contract extensions announced to the market. Additionally, we are beginning to see a

number of acquisition opportunities which, with a strengthened balance sheet and the ability to offer listed shares as part of the consideration mix, we are well-placed to take advantage of.
In summary, we had a dynamic financial year and we remain optimistic about the long-term prospects for the Company. We wish all our staff, customers, shareholders and suppliers good health and financial prosperity in 2021.

Richard Horsman
Non-Executive Chairman
13 January 2021

Chief Executive Officer's Review

Operational Review

We have achieved much during the reported period, and into the first quarter of the current financial year, making substantial progress despite general gloom in economy in the face of the pandemic. We successfully acquired DMSL, integrated the business, implemented a reorganisation and delivered on substantial cost savings, whilst continuing to win new contracts and upgrade existing ones. We also launched a telecoms price comparison website and a service offering company credit reference checking and reports, complementing the Group's IT and telecoms services. In addition, in October 2020, we raised additional funds via a successful Placing to bolster our balance sheet and give us a financial buffer in anticipation of a period of impending financial uncertainty. All of this was achieved against the backdrop of the hiatus caused by COVID-19.

What has become clear throughout this global crisis has been the accelerated elevation of the internet to an essential utility, with broadband and telecoms networks being classified as critical national infrastructure, keeping the nation connected in these extraordinary times. Good quality, reliable connectivity is an absolute necessity. With many small businesses across the UK under significant pressure, we are acutely aware of providing them with essential services at an affordable cost. SMEs, now more than ever, need a clear understanding of costs and fixed prices for the duration of their contracts with no hidden fees within pricing policies.

Undoubtedly, the global pandemic has forced businesses to review their existing telecoms services, corporate connectivity and working practices. Connectivity, particularly at the moment, should be affordable for all businesses, with minimum outage and disruption to ensure business continuity. This is why existing customers are increasingly extending contracts with us and we continue to win new customers across a broad range of sectors, as evidenced by the contract wins announced towards the end of 2020. SMEs, in particular, are increasingly dissatisfied with a lack of price transparency, poor service offerings and poor customer service from the traditional tier one providers. Toople is taking advantage of these failings by its larger competitors and is establishing itself as a disruptor in the market.

For our own part, we coped extremely well with the challenges that COVID-19 presented. Following the initial outbreak, we quickly deployed our own unified communications platform across the workforce to enable remote working and this continues with a new national lockdown recently commenced.

As the pandemic has unfolded, COVID-19 has adversely impacted our business in some areas. The main operational impact has been in how we serve our customers and approach new ones. Our customer experience teams are now making three times as many calls as previously in order to maintain the same levels of customer contact, especially as we are a B2B focused operation and many of our customers are being forced to work remotely or substantially change their working practices. We anticipate that these issues are being experienced industry wide.

On the marketing front, the mix of new business orders has shifted to more upgrades and recontracts, so customers can drive better connectivity speeds, whilst retaining continuity of service. This has led to a slight softening of the new customer intakes. As a result, we have, like others, reduced our overall marketing spend. Despite this, the business has maintained a solid trading base and we look forward with confidence as the vaccine roll-out positively impacts life and businesses return to normal during the course of 2021. The Board believe this will deliver further growth and a sales mix change where new orders contribute more, wherein higher gross profit can be achieved. We are now starting to invest in marketing again, and are seeing new customer numbers start to pick up. SMEs up and down the country have been profoundly impacted by the lockdown measures and we have been focused on informing, reassuring and supporting them.

Sadly, not all businesses will survive COVID-19, but we are doing all that we can to help our B2B clients, from dialling up or down bandwidth requirements for those businesses whose needs have evolved in the wake of COVID-19, to assisting with payment terms where possible.

Financial Performance

The reported period contains only seven months' contribution from DMSL, which was completed on 18 February 2020.

Total revenues grew by over 40% to £3.4 million (FY 2019: £2.5 million). Gross profit increased by 130% to £1.1 million (FY 2019: £479,000) and overall gross margin improved by 12 percentage points to 32%. Improvement was driven in part by reducing carrier costs in Toople.com and continuing our strategy of ceasing services to poor paying or bad debt customers.

We have adopted a proactive approach to bad debt, which has resulted in a charge of £1.1m. However, this provides for legacy bad debt issues; the impacts of Covid-19; any potential adverse effects of Brexit; and reducing the group's risk for out of term customers as a part of our strategy towards future risk created by the pandemic.

Following the integration of DMSL we have now introduced new procedures to ensure a reduction in future bad exposure which include ensuring all new customer on-boarding is done via online document signature and each customer has successfully passed our credit checking process. We have also stopped accepting verbal and voice recorded contracts.

In our wholesale business, we continued with our strategy to only sign partnership agreements which are more profitable, as well as renegotiating or terminating historic unattractive contracts. We have made further progress in this regard during the year.

As a result, our operating loss was £2.4 million compared with a loss in FY2020 of £1.6 million, but this includes the bad debt costs of £1.1 million. Active cost controls led to a 23% reduction in marketing costs, reflecting our change in strategy, with more focus on DMSL business and recognising the COVID-19 impact, discussed above. Consequently, administrative expenses only increased by 8%, despite a 40% increase in revenues.

Cash at bank was over £568,000 at period end and total assets increased substantially due to the DMSL acquisition, increasing to £2.8 million (FY2019: £1.3 million). Our balance sheet was further bolstered post the year end in October 2020, when we raised a further £774,000 (before expenses) via a Placing. This leaves the business with a healthy cash position and a substantially improved balance sheet to navigate potential economic uncertainty in 2021. The loss per share was 0.09p matching our half year results of 0.09 in 2020.

Having acquired DMSL in February 2020, we quickly integrated the business and identified substantial cost savings and synergies. We initially guided that we expected savings in the region of £50,000 per month, but I am delighted to report that these are now running in excess of £130,000 per month, saving the combined business £1,600,000 on an annualised basis. This coupled with new contract wins and extensions announced during the course of the year and into the start of FY2021, gives the Board renewed confidence that the Company will be profitable in a shorter timeline than previously anticipated. That said, we do remain extremely cautious about the overall impact that COVID-19 and Brexit will have on our customers and the wider economy and are mindful that not all businesses will survive. We will manage our costs accordingly and look forward to the new opportunities which periods of rapid change inevitably bring.

Outlook

The economic impact of the COVID-19 pandemic is likely to be significant and we will not be immune to upcoming challenges, particularly as the UK faces a new national lockdown. However, we entered FY21 in a more robust operational and financial position, and we do not expect a significant deviation from our previous objectives of growing our core revenue, replacing unprofitable contracts and moving towards cash profitability at the operating level. Our strategy remains the same, and we enter 2021 a bigger, better, stronger and more focussed business with an improved balance sheet.

The Group and its various brands continue to perform well. Trading in the first part of this financial year has started to return to more normal conditions in the B2B market as more businesses emerged from the initial lockdown and reviewed critical expenditure such as for IT and telecoms. Trading within the DMSL business demonstrated growth on orders on a like for like basis against 2019 and we have also seen growth in order volumes compared with last year.

We continue to set our sights on the societal importance of telecoms and connectivity as present and future drivers of growth for the Group. These are reflected in the Government's commitment to rolling out of fibre infrastructure to replace copper and the upgrade of the country's network to 5G. The Board remains optimistic about the Company's future prospects whilst recognising the challenges that lie ahead in the near term due to the pandemic and the post-Brexit environment.

Andrew Hollingworth
Chief Executive Officer
13 January 2021

Board of Directors and Senior Management

Richard Horsman, Non-Executive Chairman

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

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

Andrew Hollingworth, Chief Executive Officer

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

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

Kevin Lawrence, Non-Executive Director

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

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

Paul White – Chief Finance Officer

Paul qualified as a chartered management accountant in 2000 whilst working for Opus Energy Group Limited, where he had a long and successful tenure. During his time at the company, Opus Energy grew to be the largest independent SME B2B energy supplier in the UK. Paul helped to build the finance team, which supported transformational growth of Opus Energy from £70m to over £600m in turnover over ten years. He was also involved in the £384m sale of Opus Energy to Drax Plc in February 2017.

Subsequently, Paul worked for Summit Therapeutics Plc, a NASDAQ listed clinical stage drug discovery company, where he provided business partnering and financial support. At Summit Therapeutics, Paul also contributed to the £6m acquisition of Discuva Limited, integrating their people, systems, and processes into Summit Therapeutics.

Paul joined Toople as its Financial Controller in June 2020 and was promoted to Chief Financial Officer on 1st October 2020.

Directors' Report

The Directors present their report with the financial statements of the Company for the year ended 30 September 2020. A commentary on the business and its prospects is included in the Chief Executive Officer's report on pages 12 to 14. A review of the business is also included in the Strategic Report on pages 21 to 24.

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

Directors

The Directors of the Company during the year and their beneficial interest in the ordinary shares of the Company at 30 September 2020 (or date of resignation if earlier) were as follows:

Director	Position	Appointed	Resigned	Ordinary shares	Warrants
Richard Horsman	Chairman and Non-Executive Director	03/03/2016	-	54,166,680	20,833,340
Geoffrey Wilson	Non-Executive Director	03/03/2016	31/03/2020	35,166,666	14,400,000
Andrew Hollingworth	Chief Executive Officer	02/03/2016	-	28,250,000	-
Kevin Lawrence	Chief Financial Officer	28/06/2018	-	59,961,666	27,997,500

Substantial shareholders

As at 30 September 2020, the total number of issued ordinary shares with voting rights in the Company was 3,520,051,135. Details of the Company's capital structure and voting rights are set out in Note 11 to the financial statements.

The Company has been notified of the following interests of 3 per cent or more in its issued share capital as at 6 January 2021.

Party Name	Number of Ordinary Shares	% of Share Capital
Juli Carter	944,398,466	22.4%

Financial instruments

Details of the use of financial instruments by the Group are contained in Note 16 of the financial statements.

Greenhouse gas emissions

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

Dividends

The Directors do not propose a dividend in respect of the year ended 30 September 2020 (2019: £nil).

Auditor

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

Statement of Directors' responsibilities

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

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

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

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

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

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

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

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

Statement as to Disclosure of Information to the Auditor

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

We confirm to the best of our knowledge:

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

Subsequent events

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

Going concern

Notwithstanding the loss incurred during the year under review, the Directors have a reasonable expectation that the Group will be able to raise funds to provide adequate resources to continue in operational existence for the foreseeable future. During the financial year Toople raised £2.4 million from the sale of shares indicating continued investor support for the Group's strategy. The Directors expect to deliver results which will lead to continuing market support. The Directors therefore consider it appropriate for the Company to continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on the Directors' assumptions and their conclusions are included in the statement on going concern included in Note 2c) to the Financial Statements.

Corporate governance

The company's statement on corporate governance can be found in the corporate governance report on pages 25 to 31 of these financial statements. The corporate governance report forms part of this directors' report and is incorporated into it by cross-reference.

The directors' report and responsibility statement was approved by the Board of Directors on 13 January 2021 and is signed on its behalf by;

Andrew Hollingworth
Director

Strategic Report

The Directors present the Strategic Report of Toople Plc for the year ended 30 September 2020.

Principal Activities

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

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

Review of the business in the year

Details of the Company's strategy, business model, results and prospects are set out in the Chairman's Statement and in the Chief Executive Officer's Review on pages 9 - 14.

Social/Community/Human rights matters

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

Key Performance Indicators

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

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

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

	Revenue £'000	Gross profit £'000	Earnings per share (pence)
2020	3,438	1,102	(0.09)
2019	2,452	479	(0.16)
2018	1,505	204	(0.60)

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

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

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

- The Company will be dependent on the ability of the Directors to identify suitable investment opportunities and to implement the Company's strategy. There is no assurance that the Company's business strategy will ultimately be successfully developed
- As the Group has a limited trading history, actual performance may differ materially from expectations and the Group may generate sustained losses. The Group's success is dependent on significant growth in customer numbers and orders
- The Group anticipates being able to sell multiple products to customers in a competitive market. The marketing investment estimated to be required by the Group may not be sufficient to attract the number of customers that the Group intends to target
- The loss of, or inability to attract key personnel could adversely affect the business of the Group
- The technology upon which the Group's products and services are based may become obsolete; in particular, the Group is reliant on the technical robustness of its software platform
- The Group may require additional capital in the medium to long term and no assurance can be given that such capital will be available on terms acceptable to the Group, or at all
- By the very nature of the Group's business, it is expected that from time to time the Group will be subject to complaints or claims in the normal course of business
- The Company is exposed to the risk that third parties that owe the Group money, securities or other assets may not fulfil their obligations. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. In particular, by the nature of the SME market in which the Group operates, it is exposed to potential bad debt issues from its customers. These risks are more fully disclosed in Note 3 to the financial statements
- The Group's performance could be adversely affected by poor economic conditions in the UK and increased competition in the SME market
- The Group's infrastructure and systems could be targeted by cyber attacks
- The pricing environment in the telecoms industry could become more difficult than anticipated
- The UK telecoms market is subject to high incidence of fraud and bad debt risk and therefore to regulation by Ofcom
- New data protection legislation ("GDPR") became effective on 25 May 2018. The Group relies on assurances from its data suppliers that such data is compliant.

- COVID-19 – The Board is monitoring the global health crisis and is considering the associated risks and impact on the position of the Group from both an operational and financial perspective. With the extreme restrictions in force as a result of COVID-19 and is implications, means that there can be no assurance that the Group will be able to perform its intended workflows, achieve its stated aims or raise additional finance if required. The Board continues to monitor the effect of COVID-19 on an on-going basis.

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

Composition of the Board

A full analysis of the Board, its function, composition and policies, is included in the Governance Report on pages 25 to 31. A gender analysis is included in the Governance Report.

Environmental and other regulatory requirements

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

Section 172 Statement

In accordance with section 172 (1) (a to f) of the Companies Act the directors have behaved in a way that would most likely to promote the success of the company for the benefit of its members as a whole. Our directors have regard, amongst other matters to the:

- Likely consequences of any decisions in the long-term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the company

The directors also take into account the views and interests of a wider set of stakeholders when making decisions on its key stakeholders. 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.

As is normal for Public Limited Companies the shareholders delegate authority for day-to-day management of the company to the board of executive directors and engage management in setting, approving and overseeing the execution of the strategy and related policies. During the year we reviewed the company's financial and operational performance; key transactions, including acquisitions, regulatory, funding, stakeholder engagement and diversity and inclusion. The Board received papers and reports on these matters which were then reviewed, discussed and approved, as necessary.

The impact of the company's activities on our stakeholders, including colleagues, customers and suppliers is an important consideration when making decisions. The Board sometimes engages directly with stakeholders on certain issues via news updates through RNS, Vox Markets podcasts, Directors Talk and also the CEO has met some shareholders throughout the year.

The directors have regard for matters set out in section 172 (1) (a-f) of the Companies Act 2006 when discharging their section 172 duties. One example of a decision taken by the Board during the year, and the considerations given to stakeholders interest and impact was the purchase of DMS Holding (2017) Limited and Direct Market Services Limited (which took place on 18 February 2020) in order to reduce the time to profitability and shorten the time toward positive cash flows.

Approved by the Board on 13 January 2021.

Richard Horsman
Chairman

Governance Report

Introduction

The Company recognises the importance of, and is committed to, high standards of corporate governance. The following sections will explain how the Company has voluntarily applied the main and supporting principles set out in the UK Code of Corporate Governance published in 2018 (the Code).

Compliance with the UK Code of Corporate Governance

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

- The Code requires that a smaller company should have at least two Independent Non-Executive Directors. The Board currently consists of two Executive Directors and two Non - Executive Directors. Both of the Non-Executive Directors are interested in either ordinary shares in the Company, warrants over ordinary shares in the Company, or both, and cannot therefore be considered fully independent under the Code. The remuneration of the Non-Executive Directors includes warrants and this is contrary to provision 34 of the code. However, both are considered to be independent in character and judgement.

- As a consequence of the above, where provisions of the Code require the appointment of independent directors, for example as chairman or as senior independent director, the Company is not in full compliance with the Code – this applies in relation to various provisions of the Code including 10, 11, and 12. However, the Directors consider the present structure and arrangements to be adequate given the size and stage of development of the Company.

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

- The Chairman of the Remuneration Committee is the Chairman of the Company and the Chairman of the Company is a member of the Audit Committee. This is outside the provisions of 24 and 32 of the Corporate Governance Code applicable to smaller companies, which requires that those committees consist of at least two independent directors excluding the Chairman of the Company.

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

Set out on the following pages are Toople's corporate governance practices for the year ended 30 September 2020.

Leadership

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

Board meetings - The core activities of the Board are carried out in scheduled meetings of the Board and its committees. These meetings are timed to link to key events in the Company's corporate calendar and regular reviews of the business are conducted. Additional meetings and conference calls are arranged to consider matters which require decisions outside the scheduled meetings. During the year ended 30 September 2020 the Board met on 17 occasions. Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Company or their areas of responsibility, and to keep them fully briefed on the Company's operations.

Non-Executive Directors - The Non-Executive Directors bring a broad range of business and commercial experience to the Company (see pages 15 to 16) and have a particular responsibility to challenge independently and constructively the performance of the Executive Management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets.

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

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

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

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

Attendance at Board meetings;

Member	**Meetings attended**
Richard Horsman	17 of 17
Andrew Hollingworth	17 of 17
Kevin Lawrence	17 of 17
Geoffrey Wilson	11 of 11

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

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

Remuneration Committee

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

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

Audit Committee

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

The Audit Committee met twice during the current financial year and will meet at least three times per year from 1 October 2020, and more frequently if required.

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

Nominations Committee

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

The Company has adopted an appropriate share dealing code.

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

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

Delegations of authority

Board Committees - The Board has delegated matters to two committees namely the Audit and Remuneration Committees. The memberships, roles and activities of these committees are detailed in separate reports: the Audit Committee on pages 39 – 40 and the Remuneration Committee on pages 32 – 38. Each committee reports to the Board and the issues considered at meetings of the committees are provided by the respective committee chairmen. The terms of reference of each committee is to be reviewed by the Board every other year.

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

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

Effectiveness

The Board currently comprises of a Non-Executive Chairman, one other Non-Executive Director and two Executive Directors. Biographical details of the Board members are set out on pages 15-16 of this report.

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

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

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

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

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

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

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

Although the Board consisted of four male Directors, the Board supports diversity in the Boardroom and the Financial Reporting Council's aims to encourage such diversity. Given the current level of activity and number of employees, there is currently no formal diversity policy in place. However, this is something that will be considered by the Board as the Company grows. The following table sets out a breakdown by gender at 30 September 2020:

	Male	**Female**
Directors	4	-
Senior Managers	1	3
Other employees	5	13

Accountability

The Board is committed to providing shareholders with a clear assessment of the Company's position and prospects. This is achieved through this report and as required other periodic financial and trading statements. The Board has made appropriate arrangements for the application of risk management and internal control principles and these are detailed on pages 39 - 40. The Board has delegated to the Audit Committee oversight of the relationship with the Company's auditors as outlined in the Audit Committee report on pages 39-40.

Going concern - The Company's business activities, together with factors likely to affect its future operations, financial position, and liquidity position are set out in the Chief Executive Officer's Operational Update and the Risks and Uncertainties section of the Annual Report. Note 2(c) to the consolidated financial statements includes further details in relation to how the directors have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate. In addition, Note 16 to the consolidated financial statements discloses the Company's financial risk management practices with respect to its capital structure, liquidity risk, interest rate risk, credit risk, and other related matters.

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

Internal controls - The Board of Directors reviews the effectiveness of the Company's system of internal controls in line with the requirement of the Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliances and risk management. The Board reviews progress towards strategic objectives and monitors financial performance, including budgeting and forecasting, financial reporting, analysing variances against plan, and taking appropriate management action. Management, with the assistance of the finance function, is responsible for the appropriate maintenance of financial records and processes. This ensures that all the information is relevant, reliable, in accordance with the applicable laws and regulations, and distributed internally and externally in a timely manner. A review of the financial and consolidation statements is completed by management to ensure that the financial position and results of the Group are appropriately recorded, circulated to members of the Board and published where appropriate. All financial information published by the Group is subject to approval by the Board, on the recommendation of the Audit Committee. The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Company. The Audit Committee will regularly review and report to the Board on the effectiveness of the system of internal control. Given the size of the Group, the Board considers that there is no current requirement for an internal audit function. The procedures that have been established to provide internal financial control are considered appropriate for a Group of its size and include controls over expenditure, regular reconciliations and management accounts.

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

Remuneration

The Board has delegated to the Remuneration Committee responsibility for agreeing the remuneration policy for senior executives. The Remuneration Committee Report on pages 32-38 contains full details of the role and activities of the Remuneration Committee.

Shareholder relations

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

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

Capital structure

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

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

Kevin Lawrence
Non-Executive Director
13 January 2021

Directors' Remuneration Report

The Company's Remuneration Committee comprised two Non-Executive Directors: Richard Horsman (Chairman) and Geoffrey Wilson up to the date that Geoffrey Wilson stepped down from the Board. On 1 October 2020, Kevin Lawrence was appointed as chair of the Remuneration Committee.

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

In the year to 30 September 2020 Remuneration Committee met once.

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

Committee's main responsibilities

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

Consideration of shareholder views

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

Statement of policy on Directors' remuneration

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

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

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

Directors' remuneration

The Directors who held office at 30 September 2020 and who had beneficial interests in the ordinary shares of the Company are summarised as follows:

Name of Director	Position
Richard Horsman	Chairman, Non-Executive Director
Andrew Hollingworth	Chief Executive Officer
Kevin Lawrence	Non-Executive Director *(Resigned as CFO 1st October 2020)*
Paul White	Chief Finance Officer *(appointed 1st October 2020)*

Details of these beneficial interests can be found in the Directors' Report on pages 17-20.

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

Directors' service contracts

Richard Horsman was appointed as a Non-Executive Director and Chairman of the Company on 3 March 2016 and on 3 May 2016 he entered into a letter of appointment with the Company. Pursuant to his letter of appointment Mr Horsman is entitled to an annual fee of £18,000 for up to 8 days' work per annum, which includes consideration for chairing the Remuneration Committee and for being a member of the Audit Committee. He will be entitled to an additional fee if he is required to perform any specific and additional services. The Chairman is not entitled to receive any compensation on termination of his appointment (other than payment in respect of a notice period where notice is served) and is not entitled to participate in the Company's share, bonus or pension schemes, and is entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the proper performance of his duties. Mr Horsman was entitled to 2,000,000 NED Warrants which vested on the second anniversary of admission to the Official List, on 10 May 2018. These warrants lapsed on 10 May 2020. Mr Horsman's appointment is for an initial term of three years unless terminated earlier by either party giving to the other three month's prior written notice. In addition, the services of Mr Horsman are provided on a consultancy basis by High Lees Consulting. Pursuant to the terms of a consultancy agreement High Lees Consulting is entitled to be paid a fee of £32,000 plus any applicable VAT. The appointment is for an initial term of three years to be reviewed annually and terminable on three months' notice by either party. None of the remuneration paid was subject to performance conditions.

Geoffrey Wilson was appointed as a Director of the Company on 3 March 2016 and on 3 May 2016 he entered into a letter of appointment with the Company. Mr Wilson is entitled to an annual fee of £36,000 for up to 24 days' work per annum, which includes consideration for chairing the Audit Committee and being a member of the Remuneration Committee. He will be entitled to an additional fee if he is required to perform any specific and additional services. Mr Wilson is not entitled to receive any compensation on termination of his appointment (other than payment in respect of a notice period where notice is served) and is not entitled to participate in the Company's share, bonus or pension schemes, and is entitled to be reimbursed all reasonable out-of-pocket expenses incurred in the proper performance of his duties. Mr Wilson was entitled to 1,000,000 NED Warrants which vested on the second anniversary of Admission to the Official List, on 10 May 2018. These warrants lapsed on 10 May 2020. Mr Wilson's appointment is for an initial term of three years, unless terminated earlier by either party giving to the other three month's prior written notice. None of the remuneration paid was subject to performance conditions. Mr Wilson stepped down from the Board on 31 March 2020.

Andrew Hollingworth is employed as Chief Executive Officer under a service agreement with the Company dated 3 May 2016. Per this service agreement he is entitled to a salary of £120,000 per annum. He may participate in any pension scheme operated by the Group. His service agreement is terminable by either party on not less than 6 months' written notice, or immediately upon payment in lieu of notice and contains a garden leave clause. None of the remuneration paid was subject to performance conditions. During the 2018 year Andrew Hollingworth formally and voluntarily agreed to a reduction in salary to £60,000 per annum for the foreseeable future. Following the acquisition of DMSL Holding 2017 Limited in February 2020, Andrew Hollingworth has been paid his monthly contractual entitlement. He has confirmed that unpaid amounts will not be clawed back in later periods and as such the Company has not recorded any additional liability in respect of his salary for the 2020 financial year.

Kevin Lawrence was engaged as Chief Financial Officer under an agreement with the Company dated 20 June 2018 pursuant to which he is contracted to work one day per week and receive an annual remuneration of £10,800. In addition, and pursuant to a separate arrangement, he is entitled to be paid £700 per day for any days worked over and above his contractual agreement. His agreements are terminable by either party on not less than 6 months' written notice. These agreements were terminated on 1 October 2020 when he stepped down from the CFO position and became a Non-Executive Director. None of the remuneration paid was subject to performance conditions.

Remuneration components

For the year ended 30 September 2020 salaries and fees were the sole component of remuneration. The Board will consider the components of Director remuneration during the year and following this review these are likely to consist of:

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

Directors' emoluments and compensation (audited)

Set out below are the emoluments of the Directors for the year ended 30 September 2020:

Name of Director	Short term employment benefits		Bonus		Other taxable benefits		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
	£	£	**£**	£	**£**	£	**£**	£
Richard Horsman	**75,004**	50,000	**-**	-	**-**	-	**75,004**	50,000
Geoffrey Wilson*	**18,000**	36,000	**-**	-	**-**	-	**18,000**	36,000
Non-Executive total	***93,004***	*86,000*	**-**	-	**-**	-	***93,004***	*86,000*
Andrew Hollingworth	**95,000**	60,000	**-**	50,000	**18,000**	18,000	**113,000**	128,000
Kevin Lawrence**	**106,325**	64,000	**-**	-	**-**	-	**106,325**	64,000
Executive total	***201,325***	*124,000*	**-**	*50,000*	***18,000***	*18,000*	***219,325***	*192,000*
Total	**294,329**	210,000	**-**	50,000	**18,000**	18,000	**312,329**	278,000

**Resigned 31 March 2020*
*** Transitioned from Chief Finance Officer to Non-Executive Director on 1st October 2020*

As at 30 September 2020, the following amounts were owed to certain directors for fees and salaries for services provided to the Group:

	2020	2019
	£	£
Richard Horsman	**6,000**	25,000
Andrew Hollingworth	**-**	-
Kevin Lawrence	**73,930**	29,900

Directors beneficial share interests (audited)

The interests of the Directors who served during the year in the share capital of the Company at 30 September 2020 and at the date of this report or their resignation (if earlier) were as follows:

Name of Director	Number of ordinary shares held at 30 September 2020	As at the date of this report or their resignation (if earlier)	Number of share warrants	Number of share options/warrants vested but unexercised
Richard Horsman	54,160,680	12,500,000	20,833,340	20,833,340
Geoff Wilson*	35,166,666	35,166,666	14,400,000	14,400,000
Andrew Hollingworth	28,250,000	28,250,000	-	-
Kevin Lawrence	59,961,666	59,961,666	27,997,500	27,997,500

**Resigned 31st March 2020*

Total pension entitlements (audited)

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

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

Payments to past directors (audited)

The Company has not paid any compensation to past Directors.

Payments for loss of office (audited)

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

Directors' interests in share warrants (audited)

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

Number of Warrants

	2020	2019
Richard Horsman	**20,833,340**	2,000,000
Geoffrey Wilson	**14,400,000**	1,000,000
Andrew Hollingworth	**-**	-
Kevin Lawrence	**27,997,500**	-

The warrants reported as at 30 September 2019 for Richard Horsman and Geoffrey Wilson lapsed on 10 May 2020. On 18 February 2020, the Directors participated in the Placing of shares in lieu of outstanding fees and consequently a total of 63,230,840 warrants were awarded to Richard Horsman, Geoffrey Wilson and Kevin Lawrence to subscribe for one new ordinary share at £0.001 per share at any time during the period commencing on Admission ("Vesting Date") and at the third anniversary of the Vesting Date. These awards were on the same terms as warrants issued to all other participants in the Placing. There are no performance conditions attached. The exercise price of the awards exceed the average share price for the period.

There were no awards of annual bonuses or incentive arrangements in the period. All remuneration was therefore fixed in nature and no illustrative table of the application of remuneration policy has been included in this report.

Consideration of employment conditions elsewhere in the Group

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

UK 10-year performance graph

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

UK 10-year CEO table and UK percentage change table

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

Relative importance of spend on pay

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

Policy for new appointments

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

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

Policy on payment for loss of office

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

Other matters

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

Remuneration to all employees of the group:

	2020 **£**	2019 £
Remuneration paid to or receivable by all employees of the group	**1,013,825**	1,110,152

Approved by the Board on 13 January 2021.

Kevin Lawrence
Chairman of the Remuneration Committee

Audit Committee Report

The Audit Committee comprises two Non-Executive Directors (Geoffrey Wilson and Richard Horsman) up to the date that Geoffrey Wilson stepped down from the Board. On 1 October 2020, Kevin Lawrence was appointed as chair of the Audit Committee. It oversees the Company's financial reporting and internal controls and provides a formal reporting link with the external auditors. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly report remains with the Board.

Main Responsibilities

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

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

Governance

The Code requires that at least one member of the Audit Committee has recent and relevant financial experience. Geoffrey Wilson, who was appointed as Chairman of the Audit Committee in 2016 has been a qualified Management Accountant with extensive experience of high level finance roles in the telecoms industry since 1993. Kevin Lawrence, who was appointed as Chairman of the Audit Committee on 1st October 2020, has been a qualified chartered accountant since 1986 and 20 years' experience acting at the CFO level. As a result the Board is satisfied that the Audit Committee has recent and relevant financial experience.

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

The Company's external auditor is PKF Littlejohn LLP and the Audit Committee will closely monitor the level of audit and non-audit services they provide to the Company. Currently the external auditors do not provide any non-audit services to the Company.

Meetings

In the year to 30 September 2020 the Audit Committee has met on two occasions.

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

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

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

External auditor

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

Kevin Lawrence
Chairman of the Audit Committee
13 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TOOPLE PLC

Opinion

We have audited the financial statements of Toople PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2020 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2020 and of the Group's and parent company's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

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

Conclusions relating to going concern

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

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

Conclusions relating to principal risks, going concern and viability statements

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

- the disclosures in the annual report [set out on page 22] that describe the principal risks and explain how they are being managed or mitigated;

- the directors' confirmation [set out on page 22] in the annual report that they have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance, solvency or liquidity;

- whether the directors' statements relating to going concern and their assessment of the prospects of the group required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) are materially inconsistent with our knowledge obtained in the audit; or

- the directors explanation [set out on page 29] in the annual report as to how they have assessed the prospects of the group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our application of materiality

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

Materiality for the group financial statements was set at £122,000 (2019: £90,000). This was calculated based on 5% of the loss before tax, excluding the bad debt write off relating to issues identified with previous risk assessment checks. The benchmark used is the one which we determined, in our professional judgment, to be the key principal benchmark within the financial statements relevant to members of the parent company in assessing financial performance of the group.

Materiality for the parent company financial statements group materiality £121,999 (2019: £90,000).

We agreed to report to those charged with governance all corrected and uncorrected misstatements we identified through our audit with a value in excess of £6,100 (2019: £4,500). We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

An overview of the scope of our audit

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

Toople Finance Limited and Toople Management Services Limited are dormant members of the group and headed by Toople Plc and therefore no audit work has been performed on these entities.

The remaining components of the group were considered non-significant and these components were principally subject to analytical review procedures.

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

Key audit matters

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

In addition to the matter described in the material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	*How we addressed it*
Revenue Recognition (Note 2g) **Under ISA(UK) 240 there is a presumption that revenue recognition is a fraud risk.** **There is the risk that revenue from the provision of telephony services has been incorrectly recognised within the financial statements. There is also the risk that following the acquisitions in the year that the newly acquired entities are not recognising revenue in accordance with IFRS 15.**	Our work in this area included but was not limited to: • Documenting our understanding of the internal control environment; • Substantive testing to ensure the completeness of revenue; • A review of post-year end credit notes to ensure revenue cut-off is appropriately accounted for; and • A review of the Group's revenue recognition policy to ensure that it is in accordance with IFRS 15 and that all entities within the group are adhering to said policy.
Recoverability of Trade Debtors (Note 9) **The Group, in the prior year, experienced debtor recoverability issues. Whilst plans were instigated by management to recover these debts COVID-19 has impacted their ability to action these plans due to the restrictions placed on firms by the government as a result of the pandemic in respect personal debt recovery.** **A bad debt provision of £109,174 has been recognised in the financial statements, being management's estimate of the level of debts that will not be eventually recovered.** **There is a risk that the impairment to trade receivables is understated and that receivables as at 30 September 2020 are overstated in the statement of financial position.**	Our work in this area included but was not limited to: • A review of post year-end recovery of trade debtors; • A review, assessment and challenge of management's current Debtors policy with a view to write offs and provisioning; • Discussion with management surrounding the post-year end recoverability; and • Reviewing the reasonableness of the bad debt provision by discussing the basis on which it was calculated and reviewing the significantly aged balances and discussing recoverability with Management.

IFRS 3 Business combinations (Note 13) **The group acquired DMS Holding 2017 LTD during the year for a consideration of £1.52 million.** **Goodwill and other intangible assets of £1.18 million arose as a result of the acquisition.** **There is a risk that the accounting around the acquisition has not been appropriately accounted for in the year and that the related assets are impaired.**	Our work in this area included but was not limited to: • Reviewing the sale and purchase agreements for investments purchased during the period; • Reviewing share certificates to confirm ownership; • Reviewing calculations around the valuation of intangibles at acquisition date and management's assessment of separately identifiable intangibles and the valuation of goodwill; • Obtaining managements calculation of Goodwill vs Identifiable intangible assets and challenging any judgemental inputs in the calculations; • Assessing the Intangible assets for impairment at year end by comparing the carrying amount with the recoverable amount as per requirements of IFRS 3 and reviewing and challenging management's impairment assessments; and • Reviewing the accounting treatment of the acquisitions for mathematical accuracy and ensuring that the linked disclosures are IFRS compliant
Carrying value of investments and intercompany Receivables (Company) – (Note 5 and 6 Parent Company) **The Company holds investments in subsidiaries of £1.55 million and intercompany receivables of £7.75 million are due from the subsidiaries. These are material balances and there is the risk that the balances are impaired.**	Our work in this area included but was not limited to: • Reviewing the sale and purchase agreements for investments purchased during the period; • Reviewing share certificates to confirm ownership; • Reviewing calculations around the valuation of investments and the recoverability of intercompany receivables and challenging any judgemental inputs in the calculations as well as obtaining evidence of progress in respect of potential new contracts; and • Ensuring the linked disclosures in respect of accounting estimates are IFRS compliant and disclosure the key assumptions. The carrying value of the intercompany receivables are dependent on the Company securing new contract wins in the near term. Should these not be gained then there is the risk that these balances may be impaired.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

- **Fair, balanced and understandable** [set out on page 19] – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit committee reporting** [set out on pages 39 to 40] – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or

Directors' statement of compliance with the UK Corporate Governance Code [set out on page 25] the parts of the directors' statement required under the Listing Rules relating to the company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*.[1] This description forms part of our auditor's report.

Other matters which we are required to address

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

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

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

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

Use of our report

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

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

13th January 2021

Consolidated statement of comprehensive income

	NOTE	**2020**	2019
		£	£
Continuing operations			
Revenue		**3,438,285**	2,452,154
Cost of Sales		**(2,336,383)**	(1,973,449)
Gross Profit		**1,101,902**	478,705
Other Income		**127,985**	106,637
Administrative expenses	*4*	**(2,442,644)**	(2,253,424)
Write off of Shareholder loan	*4*	**-**	456,341
Exceptional items	*4*	**(1,162,930)**	(433,364)
Operating loss		**(2,375,687)**	(1,645,105)
Interest payable and similar charges		**(97,910)**	(34,239)
Interest receivable		**508**	6,158
Loss before taxation	*4*	**(2,473,089)**	(1,673,186)
Taxation	*5*	**49,710**	-
Loss for the year		**(2,423,379)**	(1,673,186)
Other comprehensive negative income for the year		**-**	-
Total comprehensive negative income for the year attributable to the equity owners		**(2,423,379)**	(1,673,186)
Earnings per share			
Basic and diluted earnings per share	6	**(0.09)**	(0.16)

The notes (on pages 53 to 78) to the consolidated financial statements form an integral part of these financial statements.

Consolidated statement of financial position

	NOTE	**2020** £	2019 £
ASSETS			
Non-current assets			
Intangible Assets	*7*	**1,324,867**	124,106
Tangible assets	*8*	**37,380**	-
Right of use assets	*21*	**64,173**	-
Total Non-current assets		**1,426,420**	124,106
Current assets			
Trade and other receivables	*9*	**855,941**	663,528
Cash and cash equivalents	*10*	**568,533**	497,400
Total Current assets		**1,424,474**	1,160,928
Total assets		**2,850,894**	1,285,034
EQUITY and LIABILITIES			
Capital and reserves attributable to equity shareholders			
Share capital	*11*	**2,347,874**	762,774
Share premium	*11*	**6,027,272**	5,412,561
Merger reserve		**(25,813)**	(25,813)
Share-based payment reserve		**49,843**	255,099
Accumulated deficit		**(8,400,239)**	(6,100,080)
Total equity		**(1,063)**	304,541
Current liabilities			
Trade and other payables	*12*	**1,236,465**	980,493
Lease liabilities	*21*	**52,517**	-
Total current liabilities		**1,288,982**	980,493
Non-current liabilities			
Financial liabilities - borrowings	*12*	**1,549,316**	-
Lease liabilities	*21*	**13,659**	-
Total non-current liabilities		**1,562,975**	-
Total equity and liabilities		**2,850,894**	1,285,034

The notes (on pages 53 to 78) to the consolidated financial statements form an integral part of these financial statements.

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

Andrew Hollingworth
Director
13 January 2021

Consolidated statement of changes in equity

	Share capital	Share premium	Merger reserve	Share Based Payment reserve	Accumulated deficit	Total
CURRENT YEAR	**£**	**£**	**£**	**£**	**£**	**£**
Brought forward at 1 October 2019	762,774	5,412,561	(25,813)	255,099	(6,100,080)	304,541
Loss for the year	-	-	-	-	(2,423,379)	(2,423,379)
Total comprehensive negative loss for the year	-	-	-	-	(2,423,379)	(2,423,379)
Transactions with owners						-
Issue of share capital net of share costs	1,585,100	525,562	-	-	-	2,110,662
Share-based payment charge credited to equity	-	(42,730)	-	49,843	-	(7,113)
Share – based payment adjustment in respect of lapsed warrants	-	131,879	-	(255,099)	123,220	-
At 30 September 2020	**2,347,874**	**6,027,272**	**(25,813)**	**49,843**	**(8,400,239)**	**(1,063)**

See page 51 for description of each reserve.

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

Share capital comprises the ordinary share capital of the Company.

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

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

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

Capital contribution reserve represents the present value adjustment to the interest free loan detailed in Note 12.

Accumulated deficit represents the aggregate retained deficit of the Group.

The notes (on pages 53 to 78) to the consolidated financial statements form an integral part of these financial statements.

Consolidated statement of cash flows

	NOTE	**Year ended 30 Sep 2020**	Year ended 30 Sep 2019
		£	£
Cash flows from operating activities			
Operating loss		**(2,375,687)**	(1,645,105)
Depreciation and amortisation		**146,654**	19,819
Share-based payment charge		**7,113**	-
Write-off Shareholder Loan		**-**	(456,341)
Changes in working capital			
Decrease in stock		**2,030**	-
Decrease / (increase) in receivables		**762,197**	(362,113)
(Decrease)/ increase in payables		**(158,967)**	426,896
Net cash outflow from operating activities		**(1,616,660)**	(2,016,844)
Cash flows from financing activities			
Proceeds from issues of share capital (net of issue costs, see Note 11)*		**934,200**	615,427
Proceeds from loans		**1,524,995**	-
Settlement of long-term loan		**-**	(150,000)
Lease payments		**(39,898)**	-
Loan issue costs		**(65,795)**	-
Net cash from financing activities		**2,353,502**	765,247
Cash flows from investing activities			
Acquisition of office equipment		**(10,075)**	-
Acquisition of intangible assets		**(108,405)**	(101,550)
R&D Tax credit		**49,710**	-
Interest (paid)/ received		**(7,285)**	6,158
Acquisition of subsidiary undertakings		**(467,848)**	-
Net cash acquired with subsidiary undertaking		**(121,806)**	-
Net cash from investing activities		**(665,709)**	(95,392)
Net increase in cash and cash equivalents		**71,133**	(1,646,809)
Cash and cash equivalents at start of year		**497,400**	2,144,209
Cash and cash equivalents at end of year	*10*	**568,533**	497,400

The notes (on pages 53 to 78) to the consolidated financial statements form an integral part of these financial statements.

Notes to the consolidated financial statements

1. General Information

a) Nature of operations

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

The Group provides a range of telecoms services primarily targeted at the UK SME market. Services offered by the Group include business broadband, fibre, Ethernet First Mile and Ethernet data services, business mobile phones, cloud PBX and SIP Trunking and traditional services (calls and lines). Through the DMSL business the Group also resells BT's Services and propositions and where relevant across the SME market.

b) Component undertakings

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

Group Company	Registered Office
Toople.com Limited	PO Box 501, The Nexus Building, Broadway, Letchworth Garden City, Hertfordshire, SG6 9BL
DMS Holding 2017 Limited	46-54 High Street, Ingatestone, Essex, CM4 9DW
Direct Market Services Limited (DMSL)	46-54 High Street, Ingatestone, Essex, CM4 9DW
Ask Merlin Limited	PO Box 501, The Nexus Building, Broadway, Letchworth Garden City, Hertfordshire, SG6 9BL
Toople Finance Limited	PO Box 501, The Nexus Building, Broadway, Letchworth Garden City, Hertfordshire, SG6 9BL
Toople Management Services Limited	PO Box 501, The Nexus Building, Broadway, Letchworth Garden City, Hertfordshire, SG6 9BL
Ask Merlin Poland SP Zoo*	Kobylanka, ZACHODNIOPOMORSKIE, 73-108 Poland

**Owned by Ask Merlin Limited*

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated:

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

convention, as modified by the revaluation of certain financial assets and liabilities at fair value through profit or loss.

The preparation of Consolidated Financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the Consolidated Financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

b) Basis of Consolidation

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

The Directors consider the substance of the acquisition of the Subsidiaries noted above by the Company to have been a reverse asset acquisition by the Subsidiaries and that the substance of the Subsidiaries was that of a single business under common ownership and control. Further, the Directors consider that the Company did not meet the definition of a business set out in IFRS3 'Business combinations'. As a consequence, the Directors consider that the transaction which gave rise to the formation of the Group fell outside the scope of IFRS 3 and have applied the business reorganisation principles of UK GAAP to account for the combination. The consolidated financial statements therefore present the combination as a continuation of the combined financial information of the Subsidiaries with no goodwill arising on the transaction.

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

Subsequent to the initial establishment of the Group the acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill.

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

c) Going Concern

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

The Directors have carried out a detailed assessment of going concern as part of the financial reporting process, taking into consideration a number of matters including forecast cash flows for a period of at least 12 months from the date of approval of the Financial Statements, medium and long term business plans and expectations.

At 30 September 2020 the Group had £569k of cash and net assets of £16k. In addition, subsequent to the year end a further Placing of shares took place on 26th October 2020 raising a further £774k (before expenses). The Directors, having given due and careful consideration, are of the opinion that although the Company will need to raise further funds over the 12 months following approval of the financial statements in order to execute its strategy and for working capital, it has the ability to access additional financing, if required, over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements in accordance with Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009.

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

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

d) New Standards and Interpretations

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

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

- IFRS 16 became applicable during the current reporting period. The Group reviewed all its leasing arrangements that were in existence as at 1 October 2019. No contracts that were previously classified as operating leases needed to be recognised as lease liabilities in the 1 October 2019 balance sheet. At 1 October 2019, the Group's head office was located in Burnham, the lease agreement for which expired on 31 May 2020. In accordance with IFRS 16, as the lease period remaining was less than 12 months as at the date of adoption of the Standard, no lease liability has been recognised and the monthly rental payments have been expensed to the income statement.

- Following the acquisition of DMSL Holding 2017 Limited, one contract has been identified as an operating lease which needed to be identified as a lease liability. Consequently, during the period the Group identified the following new accounting policies.

  Leases
  Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the asset is available for use by the Group.

  Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments.

  - Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
  - Variable lease payments that are based on an index or rate, initially measured using the index or rate 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.

  Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.
  The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, 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 are allocated between principal and finance cost. The finance cost is charged to the Income Statement over the lease period.

  Right-of-use assets are measured at cost which comprises the following:
  - The amount of the initial measurement of the 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.

  Payments associated with short-term leases (less than 12 months) and all lease of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Low-value assets comprise office equipment and furniture acquired as part of the acquisition of DMS Holding 2017 Limited.

(ii) New and amended standards and interpretations issued but not yet effective or not yet endorsed for the financial year beginning 1 October 2019 and not early adopted

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

Standard / Interpretation	**Title**	**Effective date**
IFRS 3 (Amendments)	Business Combinations	1 January 2020*
IAS 1 & IAS 8 (Amendments)	Definition of Material	1 January 2020*

* *Subject to EU endorsement*

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

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

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

e) Financial Instruments

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

Financial Assets

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

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

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

The carrying amount of the asset is reduced through use of allowance account and recognition of the loss in the Statement of Comprehensive Income. Allowances for credit losses on financial assets are assessed collectively. Collectively assessed impairment allowances cover credit losses inherent in portfolios of financial assets with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired financial assets, but the individual impaired items cannot yet be identified.

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

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

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

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

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

Derecognition of Financial Assets

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

Financial Liabilities

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

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

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

f) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

g) Other Intangibles

Other intangibles include customer contracts, developed technology and developments costs. They are recognised initially at fair value determined in accordance with appropriate valuation methodologies and subjected to amortisation and annual impairment reviews, as follows:

a. *Customer contracts*
Customer contracts, acquired as part of a business combination, are capitalised at their fair value as at the date of acquisition. They are carried at their fair value less accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the fair value of customer relationships over their estimated useful life of six years. Customer contracts have been valued according to discounted incremental operating profit expected to be generated from them over their useful lives.

b. *Developed technology*
Developed technology, acquired as part of a business combination, is capitalised at its fair value as at the date of acquisition. It is carried at its fair value less accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the fair value of developed technology over its estimated useful life of five years. Developed technology has been valued using the Relief from Royalty Method.

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

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

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

- the expenditure attributable to the intangible asset during its development can be measured reliably.

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

Amortisation is provided on development costs so as to write off the cost, less any estimated residual value, over the expected useful life which has been estimated as being 5 years. Amortisation commences upon completion of the asset, and is shown within administrative expenses. Careful judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the information available at each balance sheet date. In addition, all internal activities related to the research and development of new software products are continuously monitored by the Directors.

h) Trademarks and Licences

Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives of 6 years.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring the specific software into use. These costs are amortised over their estimated useful lives of 5 years.

i) Cash and cash equivalents

In the consolidated Statement of Cash Flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the consolidated Statement of Financial Position, bank overdrafts are shown within borrowings in current liabilities.

j) Trade and Other Receivables

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

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

k) Trade Payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). 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.

l) Borrowings

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

m) Taxation

Current tax

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

Deferred tax

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

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

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

n) Earnings per share

Basic loss per share is calculated by dividing the profit attributable to owners of the company, (excluding any costs of servicing equity other than ordinary shares), by the weighted average number of ordinary shares outstanding during the financial year.

For diluted loss per share, the weighted average number of ordinary shares in issues is adjusted to assume conversion of all dilutive potential ordinary shares that have satisfied the appropriate vesting or performance criteria as at the end of the financial year

o) Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

p) Segmental reporting

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

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

q) Revenue recognition

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

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

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

Contracts with customers are structured to ensure clarity of the definitions, timing and amounts relating to the delivery of performance obligations. Within the Toople Group, the Group earns revenue from the sale of telecommunication services to customers. This revenue is recognised in the accounting period when the services are rendered at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers. Where the Group is acting as a reseller on behalf of another telecommunications provider, the Group earns commissions based on the total sales order value of the contract sold to the end customer. This revenue is recognised in the accounting period in which the underlying customer contract is accepted by the telecommunications provider. The following types of income are typically derived and recognised on the following basis:

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

r) Share-based payments

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

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

s) Financial risk management objectives and policies

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

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

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

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

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

t) Equity

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

3. Significant accounting judgements, estimates and assumptions

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

Valuation and asset lives of separately identifiable intangible assets

In order to determine the value of the separately identifiable intangible assets on a business combination, management are required to make estimates when utilising the Group's valuation methodologies. These methodologies include the use of discounted cash flows, revenue and gross profit multiples. The carrying value of identified assets at 30 September 2020 was £382,000. Asset lives are estimated based on the nature of the intangible asset acquired and range between 5 and 6 years (see Note 13)

Valuation of acquired assets at fair value

Management have made a number of assumptions with regards to the models used to value acquired assets at their fair value at the date of acquisition. Valuation techniques commonly used by market practitioners are applied (see Note 13)

Impairment of goodwill and other intangible assets

There are a number of assumptions management have considered in performing impairment reviews of goodwill and intangible assets, as determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at 30 September was £751,299, and of other intangibles was £573,468 (see Note 7).

Capitalisation of development costs

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

The key estimates involved are surrounding the total man hours per development project, the standard cost per hour calculated, the projected revenues and profitability expected to arise as a result of the developments to the platform resulting in economic benefit, and the useful lives of the add-ons (see Note 7).

Provision for bad and doubtful debts

During the course of last year and the early part of this year, despite stringent credit checks and approval processes being in place, as customer numbers and orders increased exponentially, we also experienced a sharp increase in non-paying customers during the period. This was not completely unexpected given the micro-SME market within which the Group operates. The Board has taken a comprehensive review of the outstanding debts as at 30 September 2020 to assess the recoverability of the debt and any provisions that may be required however judgement is needed in making these assessments. In performing this review, the Board has taken into account the following matters when performing this estimate:

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

Taking into account the above factors, the impairment provisions made cover balances outstanding longer than 60 days (after adjusting for recoverable VAT and known recoverable amounts). The estimates and assumptions used to determine the level of provision will continue to be reviewed periodically and could lead to changes in the impairment provision methodology which would impact the income statement in future years (see Note 9).

4. Loss before taxation

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

	2020 £	2019 £
Depreciation of tangible assets	**8,018**	-
Depreciation of Right of Use assets	**47,593**	-
Amortisation of intangible assets	**91,043**	19,819
Exceptional items		
Impairment of trade receivable	**1,054,870**	433,364
Restructuring costs**	**108,060**	-
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**28,000**	26,250
Payments made under operating leases	**-**	127,949
Share-based payment charges	**7,113**	-
Write off shareholder loan *	**-**	(456,341)

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

Administrative expenses include:		
Marketing costs	**429,277**	573,183
Wages (including Directors)*	**789,905**	827,558
Social Security (including Directors)	**94,040**	91,367

**Excludes consulting fees payable to certain Directors of £115,097 (2019: £ 82, 200).*

In addition to the above in the year ended 30 September 2020 transaction costs totalling £265,800 (2019: £46,804) were payable to the Company's brokers and professional advisers at the time following the Placing of new shares to the Official List in November 2020 and this has been recognised against the share premium account.

5. Taxation

Analysis of charge in the year

	2020	2019
	£	£
Current tax		
UK corporation tax credit	**49,710**	Nil
Loss on ordinary activities before tax	**(2,473,089)**	(1,673,186)
Analysis of charge in the year		
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**(469,887)**	(317,905)
Tax effects of:		
Non-deductible expenses	**18,479**	(83,575)
Trading losses carried forward	**456,625**	401,480
Tax credit for the year	**49,710**	-

The Group has accumulated tax losses arising in the UK of approximately £8,279,673 (2019: £5,677,886) that are available, under current legislation, to be carried forward against future profits.

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

6. Earnings per share

The calculation of earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year:

	2020	2019
	£	£
Loss for the year from continuing operations	**(2,423,379)**	(1,673,186)
Weighted average number of shares in issue	**2,608,531,587**	1,016,586,223
Basic and diluted loss per share	**(0.09p)**	(0.16p)

The Company has in issue warrants at 30 September 2020, these are detailed in note 11. The inclusion of the warrants in the weighted average number of shares in issue would be anti-dilutive and therefore they have not been included.

7. Intangible assets

	Goodwill	Developed technology and development costs	Website Development costs	Customer Contracts	Total
		£	£	£	£
Cost					
At 1 October 2019	-	146,550	17,800	-	164,350
Additions	-	108,300	105	-	108,405
Acquisitions	751,399	240,000		192,000	1,183,399
At 30 September 2020	**751,399**	**494,850**	**17,905**	**192,000**	**1,456,154**
Amortisation and impairment					
At 1 October 2019	-	22,444	17,800	-	40,244
Charge for period	-	71,043	-	20,000	91,043
At 30 September 2020	**-**	**93,487**	**17,800**	**20,000**	**131,287**
Net book amount					
At 30 September 2020	**751,399**	**401,363**	**105**	**172,000**	**1,324,867**
At 30 September 2019	-	124,106	-		124,106

8. Tangible assets

	Right of use assets	Leasehold Improvements	Office Equipment	Furniture and Fittings	Computer Equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 October 2019	-	1,660	-	-	17,800	19,460
Additions	-	-	9,971	-	104	10,075
Acquisitions	111,766	28,179	2,006	5,138	-	147,089
At 30 September 2020	**111,766**	29,839	11,977	5,138	**17,904**	**176,624**
Depreciation						
At 1 October 2019	-	1,660	**-**	**-**	17,800	19,460
Charge for year	47,593	4,860	2,729	427	2	55,611
At 30 September 2020	**47,593**	**6,250**	**2,729**	**427**	**17,802**	**75,071**
Net book value						
At 30 September 2020	**64,173**	**23,319**	**9,248**	**4,711**	**102**	**101,553**
At 30 September 2019	-	-	-	-	-	-

9. Trade and other receivables

	2020	2019
	£	£
Current		
Trade receivables	**111,091**	429,530
Other receivables including taxes and social security costs	**588,292**	77,408
Prepayments and accrued income	**156,558**	156,590
	855,941	663,528

At 30 September 2020 management reviewed the trade receivables balance and have recognised a provision of £109,124 (2019: £423,824) against receivables where there is uncertainty over recoverability. The Group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in note 3 to the financial statements.

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

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

	2020	2019
	£	£
0-2 months	**101,933**	172,980
2-3 months	**22,737**	149,678
Over 3 months	**95,545**	530,696
	220,215	853,354

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

	2020	2019
	£	£
0-2 months	**-**	30,000
2-3 months	**20,977**	86,641
Over 3 months	**88,147**	307,183
	109,124	423,824

10. Cash and cash equivalents

	2020	**2019**
	£	£
Bank current accounts (HSBC and Barclays)*	**568,533**	497,400

***** *HSBC has a credit rating of Aa3 and Barclays has a credit rating of A1(Moody's)*

11. Share capital and warrants

	2020		2019	
	No.	**£**	No.	£
Authorised, allotted and fully paid				
Ordinary shares	**2,376,461,680**	**1,585,100**	1,143,589,455	762,774

	Ordinary shares	**Share Capital**	**Share Premium**
	No.	**£**	**£**
Share capital			
At 1 October 2019	1,143,589,455	762,774	5,412,563
Proceeds from share issues	2,376,461,680	1,585,100	791,362
Issue costs	-	-	(265,800)
At 30 September 2020	**3,520,051,135**	**2,347,874**	**5,938,125**

**Transaction costs accounted for as a deduction from equity of £265,800 (2019: £46,804).*

On 18 February 2020 the Company placed 1,200,000,000 ordinary 0.0667p shares at a subscription price of 0.1p per share. Commissions of £79,205 were payable to the brokers at the time and this has been recognised against share premium. At the same time the Company issued 126,461,680 shares at the same subscription price to the Directors of the Company to settle £126,462 of unpaid fees owed to them and on the same date 1,050,000,000 shares were issued at the same subscription price in relation to the acquisition of DMS Holding 2017 Limited.

Warrants

On 18 February 2020 the Company issued warrants over 1,492,360,840 ordinary shares as follows:

- 63,230,840 warrants to the two Non-Executive Directors and one executive Director to subscribe for one new ordinary share at £0.001 per share at any time during the period commencing on Admission ("Vesting Date") and expiring at midnight on the third anniversary thereof; and

- 600,000,000 warrants to the subscribers to the placing to subscribe for one new ordinary share at £0.001 per share at any time during the period commencing on admission and expiring at midnight on the third anniversary; and

- 5,000,000 warrants to Cairn Financial Advisers to subscribe for one new ordinary share at £0.001 per share at any time during the period commencing on admission and expiring at midnight on the third anniversary thereof; and

- 74,130,000 warrants to the Company's brokers to subscribe for one new ordinary share at £0.001 per share at any time during the period commencing on admission and expiring at midnight on the third anniversary thereof; and

- 750,000,000 warrants to the Company's loan note providers to subscribe for one new ordinary share at £0.001 per share at any time during the period commencing on admission and expiring at midnight on the third anniversary thereof.

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

Warrants granted	1,492,360,840
Stock price	0.1p
Exercise price	0.1p
Risk free rate	0.5%
Volatility	101%
Time to maturity	3 years

The fair value of the warrants issued to the subscribers to the placing, to Cairn Financial Advisers, the Company's brokers and the Company's loan note providers amounting to £42,730 has been recognised in share premium on the basis they were issued for services relating to the placing. The fair value of the warrants issued to the Directors has been charged to the income statement evenly over the vesting period resulting in a charge in the current period of £7,113.

At 30 September 2020, warrants for 1,492,360,840 new Ordinary Shares in the Company were in issue as follows:

	2020		2019	
	No. of warrants	**Weighted average price (p)**	No. of warrants	Weighted average price(p)
As at 1 October	**40,997,291**	0.4	40,997,291	0.4
Granted during the year	**1,492,360,840**			
Lapsed during the year	**(40,997,291)**			
At 30 September	**1,492,360,840**	0.1	40,997,291	0.4

The outstanding warrants are exercisable as follows:

Warrants Issued	No. of warrants	Exercise price (p)	Exercisable
18 February 2020	1,492,360,840	0.1p	Exercisable from 18 February 2020 and expiring on 17 February 2023
At 30 September 2020	1,492,360,840		

The warrants outstanding at 30 September 2020 had a weighted average remaining contractual life of 2 years, 141 days (2019: 2 years, 230 days).

12. Trade and other payables

	2020	2019
	£	£
Trade payables	**851,003**	516,343
Social Security and other taxes	**149,165**	123,510
Other payables	**72,273**	22,613
Accruals and deferred income	**164,024**	380,027
Lease liabilities	**52,517**	-
	1,288,982	980,493

	2020	2019
	£	£
Non – current liabilities		
Lease liabilities	**13,659**	-
Borrowings	**1,549,316**	-
	1,562,975	-

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

On 18 February 2020 the Company issued a loan note instrument constituting zero coupon secured loan notes for a face value of £1,625,000 with a maturity date of 31 December 2022. The Loan Note Instrument contains customary warranties, financial and other covenants and events of default. The Loan Note Instrument also contains information rights and board observer rights for the noteholders. The loan notes constituted under the Loan Note Instrument are repayable on the maturity date or in the event of the occurrence of an event of default. The loan notes constituted under the Loan Note Instrument are secured by a debenture over the assets of the Group. Costs associated with the issue of the loan note amounting to £65,795 are being amortised over the life of the loan note.

13. Acquisition of DMS Holdings 2017 Limited

On 18th February 2020, the Company acquired 100 percent of the shares in DMS Holding 2017 Limited. DMS Holding 2017 Limited is a holding company for Direct Market Services Limited which is a telecoms provider to the business market.

The consideration for the Acquisition was £1.5 million, satisfied by cash, the issue of 1,050,000,000 new Ordinary Shares in Toople (the "Consideration Shares") at the Placing Price, and the issue of Options to acquire up to 800,000,000 new Ordinary Shares subject to the achievement of earn out considerations over the next three years. The primary reason for the purchase was to improve cash flows due to DMSL's previous profitability, and to lead the group toward profitability sooner.

The table on the following page summarises the recognised amounts of assets and liabilities assumed at the date of acquisition. These amounts are preliminary at this stage and may be subject to revision:

	£
Intangible assets	432,000
Tangible assets	147,094
Deferred tax assets	53,906
Trade and other receivables	713,799
Prepayments and accrued income	188,929
Cash and cash equivalents	1,404
Trade and other payables	(368,164)
Accruals and deferred income	(173,236)
Lease liabilities	(106,074)
Short term borrowings and loans	(123,210)
Total identifiable net assets acquired	766,448
Consideration:	
Issue of shares	1,050,000
Cash	427,847
	1,517,847
Goodwill	(751,399)
	766,448

An adjustment has been made to reflect the initial accounting for the acquisition of DMS Holding 2017 Limited, by the Company, being the elimination of the investment in DMS Holding 2017 Limited against the non-monetary assets acquired and recognition of goodwill. The Company has made a preliminary assessment of the fair value of net assets acquired pursuant to the acquisition of DMS Holding 2017 Limited, via a Purchase Price Allocation ("PPA") exercise. The PPA's determined a decrease of £432,000 of goodwill in DMS Holding 2017 Limited with the corresponding movement to be recognised as customer contracts and developed technology. The amortisation period for customer contracts and developed technology has been assessed as 6 years and 5 years respectively. Amortisation of intangible assets is included in administrative expenses in the Income Statement.

The revenue included in the Group Statement of Comprehensive Income since 18 February 2020 contributed by DMS Holding 2017 Limited was £1,207,392. DMS Holding 2017 Limited also contributed a loss of £232,675 over the same period.

Had DMS Holding 2017 Limited been consolidated from 1 October 2019, the Group Statement of Comprehensive Income would show revenue of £2,225,186 and a loss of £414,421.

14. Related party disclosures

	2020	2019
	£	£
Goods/services purchased from Dotfusion Limited	**72,000**	75,120
Goods/services purchased from High Lees Consulting	**57,004**	32,000
Goods/services purchased from KBL Consulting Limited	**95,525**	53,200
Goods/services supplied to High Lees Consulting	**1,853**	-
	226,382	160,320

Mr Richard Horsman is the owner of High Lees Consulting and is a shareholder in Toople Plc and non-executive Chairman. There was a balance of £nil (2019: £16,000) owing to High Lees Consulting at the end of the period.

Mr Kevin Lawrence is the owner of KBL Consulting Limited and is a shareholder in Toople Plc and Chief Financial Officer. There was a balance owing at the end of the period of £72,670 (2019 £24,500).

During the year to 30 September 2019 Toople Plc recharged certain administrative expenses to its subsidiaries through a management fee. The total amount charged was £518,103 (2019: £376,335). At 30 September 2019 Toople Plc was owed £7,752,182 (2019: £5,958,665) from its subsidiaries.

15. Directors, key management and employees

Details of the Directors and key management personnel are set out on pages 15 to 16. Key management personnel are considered to be the Directors. Relevant related party transactions are disclosed in Note 14.

Details of Directors' remuneration are set out in the Remuneration Committee Report on page 32 to 38.

The total remuneration of the directors and key management personnel is £317,546 (2019: £278,000), as set out below in aggregate for each of the categories specified in IAS 24:

Directors	**2020**	2019
	£	£
Short term benefits - Salaries and fees	**312,329**	278,000
Long Term Benefits	**-**	-
Share based payments	**5,217**	-
Total	**317,546**	278,000

The average number of persons employed by the Group (excluding Directors) during the year was 17 (2019: 18), analysed by category as follows:

	2020	2019
	No.	No.
Management and Finance	**3**	2
Sales and Marketing	**9**	9
Operations & IT	**5**	7
Total	**17**	18

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

	2020	2019
	No.	No.
Wages and salaries (including Directors salaries and fees)	**905,002**	1,000,544
Social security costs	**94,040**	95,282
Pension costs	**14,783**	14,326
Total	**1,013,825**	1,110,152

16. Financial instruments

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

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

	2020	2019
	£	£
Financial Assets at amortised cost		
Cash and cash equivalents	**568,533**	497,400
Trade and other receivables	**699,383**	506,938
Financial liabilities at amortised cost		
Trade and other payables	**1,077,441**	867,510

a) Interest rate risk

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

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

b) Liquidity risk

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

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

c) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The allowance account for trade receivables is used to record impairment losses unless the Group has no reasonable expectations of recovery; at that point the amounts considered irrecoverable are written off against the trade receivables directly. The Group provides for impairment losses based on expected credit losses. For trade receivables, the Group applies the IFRS 9 simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group had trade receivables of £111,091 at 30 September 2020 (2019: £429,530), net of bad debt provisions. The methodology adopted for determining the bad debt provision is detailed in Note 3 to the financial statements.

d) Capital risk management

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

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

e) Fair value of financial assets and liabilities

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

17. Pension Commitments

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

18. Dividends

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

19. Ultimate Controlling Party

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

20. Subsequent events

There are a variety of unknown factors affecting the worldwide economy in relation to the current and future impacts of Covid-19. Future events could cause the Groups' assumptions to change and therefore could impact future results of the Group. However, the Directors are also satisfied that the impact of Covid-19 has been appropriately considered at a group level and has no material impact upon these financial statements.

Covid-19 has caused increasing uncertainty across a variety of industries and businesses. The Group has subsequently determined the provision of £109,124 in Bad Debt provision is prudent to offset consumer customers' ability to pay where they have been furloughed or made redundant, combined with the government directive for debt collections agencies to restrict their activities during lockdown and our move as a business to focus more upon the Business to Business market.

The Group also acknowledges the difficulties faced by its employees under Covid 19 restrictions and has extended its working from home policy to enable individuals to work from home where needed for isolation and health concerns.

21. Leases

The Group has adopted IFRS 16 using the modified retrospective approach with the effect of applying this standard at the date of initial recognition of 18 February 2020, being the date DMSL was acquired into the group, resulting in the only lease within the group being applicable under IFRS 16.

The Group recognises a right-of-use asset and corresponding liability at the date at which a lease asset is made available for use by the Group, except short term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. Lease liabilities are initially measured at the present value of lease payments that are due over the lease term, discounted using the groups incremental borrowing rate of 10%. This is the rate the Group are likely to have to pay for a loan of a similar term and with similar security to obtain an asset of similar value.

As a lessee, the Group has previously classified leases as operating or finance leases based on whether the lease transferred significantly all of the risks and rewards incidental to the ownership of the underlying asset. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for the one remaining lease on its balance sheet. The only lease applicable under IFRS 16 is the office of DMSL.

The key impacts on the Statement of Comprehensive Income and the Statement of Financial Position are as follows:

	Prepayments £	Lease liability £	Right of use asset £	Income statement £
Balance on transition	5,692	-	-	-
Recognised on adoption of IFRS 16*	(5,692)	(106,074)	111,766	-
Depreciation	-	-	(47,593)	(47,593)
Interest	-	(7,794)	-	(7, 794)
Lease payments	-	47,692	-	
Carrying value at 30 September 2020	**-**	**(66,176)**	**64,173**	**(55,387)**

* As at 18 February 2020 the lease liability recognised £106,074 relating to the leasehold buildings used by DMS Holding 2017 Limited.

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

22. Copies of the Annual Report

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

Company statement of financial position

	NOTE	**2020 £**	2019 £
ASSETS			
Non-current assets			
Investments in subsidiaries	5	**1,552,865**	26,013
Current assets			
Trade and other receivables	6	**7,850,928**	6,051,883
Cash and cash equivalents		**266,810**	367,913
Total Current assets		**8,117,738**	6,419,796
Total assets		**9,670,603**	6,445,809
EQUITY and LIABILITIES			
Capital and reserves attributable to equity shareholders			
Share capital	7	**2,347,874**	762,774
Share premium	7	**6,027,272**	5,412,561
Share-based payment reserve		**49,843**	255,099
Accumulated deficit		**(457,694)**	(243,902)
Total equity		**7,967,295**	6,186,532
Current liabilities			
Trade and other payables	8	**443,992**	259,277
Non-current liabilities			
Borrowings	8	**1,259,316**	-
Total equity and liabilities		**9,670,603**	6,445,809

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently a profit and loss account has not been presented for the Company. The Company's loss for the financial period was £337,012 (2019: £127,677).

The notes (on pages 82 to 85) to the parent company financial statements form an integral part of these financial statements.

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

Andrew Hollingworth, Director
13 January 2021
Company Registration Number: 10037980

Company statement of changes in equity

	Share capital	Share premium	Share Based Payment reserve	Accumulated deficit	Total
	£	£	£	£	£
Brought forward at 1 October 2019	762,774	5,412,561	255,099	(243,902)	6,186,532
Loss for the year				(337,012)	(337,012)
Total comprehensive loss for the year	-	-	-	(337,012)	(337,012)
Transactions with owners					
Share-based payment charge credited to equity	-	(42,730)	49,843	-	7,113
Share-based payment adjustment in respect of lapsed warrants		131,879	(255,099)	123,220	-
Issue of share capital net of share issue costs	1,585,100	525,562	-	-	2,110,662
At 30 September 2020	**2,347,874**	**6,027,272**	**49,843**	**(457,694)**	**7,967,295**

	Share capital	Share premium	Share Based Payment reserve	Accumulated deficit	Total
PRIOR PERIOD	£	£	£	£	£
Brought forward at 1 October 2018	636,572	4,923,336	255,099	(116,255)	5,698,782
Loss for the year				(127,677)	(127,677)
Total comprehensive loss for the year	-	-	-	(127,677)	(127,677)
Transactions with owners					
Issue of share capital net of share issue costs	126,202	489,225	-	-	615,427
At 30 September 2019	**762,774**	**5,412,561**	**255,099**	**(243,902)**	**6,186,532**

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

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

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

Accumulated deficit represents the aggregate retained deficit of the Company.

The notes (on pages 82 to 85) to the parent company financial statements form an integral part of these financial statements.

Company statement of cash flows

	2020	2019
	£	£
Cash flows from operating activities		
Operating loss	**(255,900)**	(127,677)
Share-based payment charge	**7,113**	-
Changes in working capital		
Increase in receivables	**(5,528)**	(5,215)
Increase in payables	**311,177**	3,532
Taxation	**-**	-
Net cash outflow from operating activities	**56,862**	(129,360)
Cash flows from financing activities		
Long Term Debt financing	**1,234,995**	-
Loan issue costs	**(65,795)**	-
Proceeds from issues of shares	**934,200**	615,427
Net cash from financing activities	**2,103,400**	615,427
Cash flows from investing activities		
Purchase of subsidiary undertaking	**(467,848)**	-
Advances to subsidiaries	**(1,793,517)**	(2,171,904)
Net cash from investing activities	**(2,261,365)**	(2,171,904)
Net increase in cash and cash equivalents	**(101,103)**	(1,685,837)
Cash and cash equivalents at start of year	**367,913**	2,053,750
Cash and cash equivalents at end of year	**266,810**	367,913

The notes (on pages 82 to 85) to the Parent Company financial statements form an integral part of these financial statements.

Notes to the Company financial statements

1. General Information

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

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

2. Summary of Significant Accounting Policies

Basis of Preparation

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

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

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

Investments

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

Key judgements and estimates

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

Amounts due from subsidiary undertakings

The Company acts as an investment holding company of the Group's subsidiary undertakings and is the entity listed on the London Stock Exchange. In execution of the Group's business plan, any funds raised from shareholders are advanced to the Group's subsidiary undertakings to enable them to execute their business plans approved by the Board. The Group is continuing to develop its business offering and still within its rapid growth of development and consequently its subsidiary undertakings require working capital funding which is advanced by the Company. As a result judgements are made in respect of the carrying value of both investments in and amounts due from subsidiary undertakings and whether these amounts should be impaired. Management consider that they are not impaired as at the year end and their consideration is based the improving contributions from the subsidiary undertakings and advanced discussions with a potentially significant provider which, if successful would lead to significant additional revenues and contribution and management have prepared a net present value calculation to consider the potential outcome of this for the Group. Management have estimated that the potential contract would operate at a margin of 35% and last for a period of 9 years and the discount rate used is 18.45%

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

3. Loss for the financial period

Auditor's remuneration to PKF Littlejohn LLP of £31,300 (2019: £26,250) for audit services provided to the Company are charged to a subsidiary company.

4. Directors' remuneration

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

	2020	2019
Directors and management	**4**	4

Staff costs during the period are borne by subsidiary entities.

5. Investment in subsidiaries

	2020	**2019**
	£	£
At 30 September	**1,552,865**	26,013

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

Name	Incorporated	Registered office	Activities	Capital	% held
Toople.com Limited	England & Wales	PO BOX 501 The Nexus Building Broadway Letchworth Garden City, SG6 9BL	Provision of telecoms services	Ordinary shares	100%
Ask Merlin Limited	England & Wales	As above	Software development	Ordinary shares	100%
Toople Finance Limited	England & Wales	As above	Dormant	Ordinary shares	100%
Toople Management Services Limited	England & Wales	As above	Dormant	Ordinary shares	100%
DMS Holding 2017 Limited	England & Wales	46-54 High Street, Ingatestone, Essex, CM4 9DW	Holding company	Ordinary shares	100%
Direct Market Services Limited	England & Wales	As above	Provision of telecoms services	Ordinary shares	100%
Ask Merlin Poland SP Zoo	Poland	Diamentowa 3 73-108 Morzyczyn	Software development	Ordinary shares	100%

6. Other receivables

	2020	2019
	£	£
Current		
Amounts due from subsidiary undertakings	**7,752,182**	5,958,665
Other receivables	**98,746**	93,218
	7,850,928	6,061,883

7. Share capital

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

8. Trade and other payables

	2020	2019
	£	£
Current		
Trade creditors	**200,298**	49,987
Social security and other taxes	**20,482**	26,689
Accruals and deferred income	**212,365**	166,440
Other creditors	**10,847**	16,161
	443,992	259,277
Non – current liabilities		
Borrowings	**1,259,316**	-

On 18 February 2020 the Company issued a loan note instrument constituting zero coupon secured loan notes for a face value of £1,625,000 with a maturity date of 31 December 2022. The Loan Note Instrument contains customary warranties, financial and other covenants and events of default. The Loan Note Instrument also contains information rights and board observer rights for the noteholders. The loan notes constituted under the Loan Note Instrument are repayable on the maturity date or in the event of the occurrence of an event of default. The loan notes constituted under the Loan Note Instrument are secured by a debenture over the assets of the Group. Costs associated with the issue of the loan note amounting to £65,795 are being amortised over the life of the loan note.

9. Related party disclosures

Other than financing and trade with wholly owned subsidiaries the Company did not enter into any other related party transactions. Remuneration of Directors and Key management can be found in note 14 to the consolidated financial statements.

10. Financial instruments

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

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

	2020	2019
	£	£
Financial assets measured at amortised cost		
Cash and cash equivalents	**266,810**	367,913
Trade and other receivables	**7,850,928**	6,051,883
Financial liabilities measured at amortised cost		
Trade and other payables	**443,992**	259,277

Details of the Company's exposure to risk can be found in note 16 to the consolidated financial statements.