YOLO Leisure and Technology plc

("YOLO" or the "Company")

Final Results

YOLO Leisure and Technology plc (AIM: YOLO), the AIM-quoted company focusing on opportunities in the technology and leisure sectors, announces its audited Final Results for the year-ended 30 September 2019.

During the period the Company continued its targeted investment strategy with management focused on creating value by investing in existing and new opportunities.

Annual Report and Accounts

The Company's Annual Report and Accounts for the year to 30 September 2019 will be posted to shareholders shortly.

The announcement contains information which, prior to its disclosure, was inside information for the purposes of the Market Abuse Regulation.

For further information, please contact:

YOLO Leisure and Technology plc	www.yoloplc.com
Simon Robinson	simon.robinson@yoloplc.com
Cairn Financial Advisers LLP	
Sandy Jamieson, Liam Murray	+44 20 7213 0880
Peterhouse Capital Limited *Sole broker*	
Duncan Vasey / Lucy Williams	+ 44 20 7220 9797
Walbrook PR Ltd	+44 20 7933 8787 or yolo@walbrookpr.com
Paul McManus/Nick Rome	+44 7980 541 893/+44 7748 325 236

Chairman's Statement

I am pleased to present the annual report and financial statements for YOLO Leisure and Technology plc ("YOLO" or the "Company"), for the financial year ended 30 September 2019.

Technology is at the foundation of our investment criteria. We invest in businesses that develop purpose-built technology and operational expertise with potential to scale and generate positive returns for shareholders. We back founders that have a dedicated passion and competency for creating and engineering premium customer experiences through technology, content and product innovation.

As an investment business we evaluate a significant pipeline of potential investment opportunities based on the principles of our stated investment criteria. Before investing, the board always diligently evaluates the opportunities and takes valued input from key shareholders and our investor partners on the value potential of the investment opportunities.

As a board we take active positions within our investment companies so that we can partner and proactively support our investee founders and boards, in their strategy and business plan execution, thereby seeking to grow and optimise our investments for shareholders. As an investment business, we are dependent on the investee companies successfully executing their business plans and managing a positive exit for our investment and investors, which sometimes take longer than initially envisaged.

The board has evaluated a number of options to maintain positive momentum and capitalise on new opportunities in the market that we believe are in the best interests of shareholders.

Investment Strategy

On 2 October 2019, we announced that the board had conducted a review of the Company's investment strategy and that the board had decided that, in the light of the current market conditions and pipeline opportunities, within the scope of its current investment strategy it should give particular focus to technology opportunities in the fields of big data, machine learning, telematics and the internet of things (IoT).

Financial Review

Total comprehensive loss for the year was £731,784 (2018: loss £1,105,214). Unrealised loss on investments were £52,930 (2018: loss £841,489) and impairment loss of on investments were £446,973nil (2018: £nil). Cash at the bank at the year-end was £242,415 (2018: £270,524).

As at 30 September 2019, gross assets were £2,995,972 (2018: £3,441,504) and the net fair value of investments held was £2,684,091 (2018: £3,083,995). Total net assets were £2,968,527 (2018: £3,408,811) which represents 5.69 (2018: 7.72) pence per share.

Simplestream Limited

Simplestream is a leading provider of software as a service (SaaS) based video streaming solutions. The company is a market leader for its Live2VOD and Hybrid TV solutions, during the year launched its Sports Video Platform and also provides Cloud TV and Telco TV solutions. Clients include: News Corporation (Ball Ball); A&E Networks; AMC Networks; Nova TV Sony Traceplay; QVC TV; Box Nation; Little Dot Studios and At The Races amongst others.

Simplestream's cloud based Media Manager platform provides broadcasters and rights owners with an end-to-end technology services eco-system, with a full range of multi-platform TV and video distribution products including: low latency online simulcasts of TV channels, real-time sports highlights clipping, broadcaster catch-up services, social video syndication and subscriber management services.

Simplestream's technology platform also provides multi-channel, multi-territory frontend templated applications for a complete range of connected devices including mobiles, tablets, connected TVs and fast growing over the top (OTT) platforms such as Amazon Fire TV, Apple TV and Roku. In the UK, Simplestream's "Hybrid TV" solution is used by leading broadcasters to power "catchup" services on Freeview, Freesat, YouView and EETV.

Simplestream now delivers services across Europe, the US, Africa and the Far East with further international expansion planned for 2019. New partners signed up during the year include Vubiquity for Africa, Latin America, USA and Asia, Ideal Systems for Asia, Europe Broadcaster Union) for Europe, Draco for Middle East and Vista as reseller in USA.

In September 2019 Simplestream built an 'accessible' video platform and responsive website for Channel 4, specifically for its online coverage for Para Sports and the Tokyo 2020 Paralympics. This went live in early September and successfully provided video on demand and live action services for the World Para Swimming Championships on 9 September 2019.

In November 2018 Simplestream launched its Sport Video Platform. The new platform includes low latency streaming, live event management, automated generation of video highlights and data integrations for real-time match, league and player stats, plus immersive HTML5 based applications that can sit across any device. The Sports Video Platform comes with AVOD/SVOD and PPV models out of the box, so that any league, channel or federation can now generate revenue whilst at the same time learn about their customers through valuable, real time return path data - something that traditional methods of TV delivery are unable to deliver.

Yolo holds 9,943 (2018: 9,943) shares in Simplestream, which represents 6.34% (2018: 6.34%) on a fully diluted basis.

Gfinity plc

Gfinity is a world-leading esports solutions provider. It focuses on designing, developing and delivering esports solutions for e-games publishers, rights holders and brands. It has contracts and partnership arrangements with EA Games, Microsoft, FIFA, Formula 1 and Indycar.

It currently accesses 20 million gamers per month on its platforms and two brands Gfinity Sports and Real Sports 101.

On 15 July 2019, the Company announced the successful completion of a fund raise of £2.25m

Yolo holds 400,000 (2018: 400,000) shares in Gfinity which represents 0.08% (2018: 0.10%) on a fully diluted basis.

AudioBoom plc

AudioBoom is one of the world's leading spoken-word audio or podcasting platforms for hosting, distributing and monetising content that enables the creation, broadcast and syndication of audio content across multiple networks and geographies. AudioBoom completed a fundraise of £2.8m during the year and continues to grow its top line revenue.

Yolo holds 53,400 (2018: 53,400) shares in AudioBoom which represents 0.38% (2018: 0.45%) on a fully diluted basis.

Magic Media Works Ltd

Magic Media Works ("Magic Media") is a music entertainment technology business. The company's mission is to bring families together, through shared music entertainment experiences, making every home a connected home.

ROXI, which launched in the UK and US markets in late 2017, is an easy way for friends and families to enjoy music together, with a two minute set-up, tens of millions of songs pre-loaded, voice search and many unique bonus entertainment features, all in one competitively-priced music entertainment hub.

Offering unlimited music, karaoke-style singing, global radio access, an ambient sound machine and ROXI's unique music trivia game, Name That Tune, ROXI is highly differentiated and popular with its target market of older, family consumers. The company has global rights agreements with the major labels (Universal Music Group, Sony Music Group, Warner Music Group) and major independents including Merlin Music, providing customers with one year's access to a premium music catalogue of over 29 million music tracks.

In addition to effortless media discovery and consumption, ROXI's vision is to create experiences that bring people together around music, and support activity beyond simply listening to music, with a clearly differentiated software and hardware offering. ROXI has built a multi-territory media platform with localisation available for language, search, catalogue and playlist curation.

During the year 2018, Magic Media developed and test launched its new TV infomercial shows across mainstream TV in the UK and the USA, in partnership with specialist infomercial content providers, to enable a scaling of the business in these markets.

Magic Media completed a further fundraise of £0.9m on 5 December 2018 to enable it to launch its Christmas 2018 TV campaign for the ROXI home music entertainment product which was broadcast on ITV2, ITV3, ITVBe, Film4, SyFy, GOLD, National Geographic, 5Select, 5USA, Fox and Talking Pictures.

The largest investor in the round was private investor and Saracens Rugby Club owner Nigel Wray, who is also the largest investor in YOLO. Magic Media´s founder CEO Rob Lewis, Henrik Holmark (the previous CFO of Pandora Jewellery) and Endeavour Ventures also participated directly in the round.

As part of this round YOLO and the majority of other loan note holders agreed to extend the longstop date for repayment to 19 November 2023, and to waive their rights to the historic and future interest payments due on the loan notes.

During 2019 Magic Media has continued to develop the product and test various marketing channels with its infomercials, raise funds. Magic Media has raised £2.5m during the year including £1m from Mr Ron Dennis who will also become an advisor to the board.

YOLO holds 1,646,682 shares which represents 7.4% (2018: 15.8%) of the fully diluted share capital. YOLO also holds £500,000 of convertible loan notes.

Sparkledun Limited

On 5 February 2019 it was announced that the Company had invested £100,000 to acquire a 3.41% equity interest in Sparkledun Limited ("Sparkledun"). Sparkledun through its trading subsidiary, Fast to Fibre Limited ("Fast to Fibre"), has rights to exploit and has further developed a technology solution utilising a unique patented process for the extraction of the inner core of telecoms and power cables, allowing the insertion of fibre optic without the need for excavation or other disruptive techniques. The Fast to Fibre commercial proposition is to reduce the cost of fibre optic deployment particularly in difficult to access areas such as urban and city centres, thereby increasing the pace of adoption in line with government targets around the world to provide ultra-fast internet access. Fast to Fibre has successfully completed several trials in a variety of different geographical locations and complex situations and is now progressing a number of major commercial opportunities.

TVPlayer Limited

On 3 October 2019 it was announced that TVPlayer had been placed in administration. The board had previously announced that its investment in TVPlayer had been written down to zero in the light of that company's inability to raise further funds or to identify a buyer.

TVPlayer was spun out of our investee company, Simplestream Limited. Accordingly, YOLO's holding of TVPlayer equity shares was not acquired for an additional cash subscription. YOLO's only cash investment in TVPlayer was its subscription for £50,000 of convertible loan notes.

Share issue

On 5 February 2019, YOLO successfully raised £300,000 before costs by a placing of 8,000,000 new ordinary shares. Under the placing each placee received one warrant for every four placing shares. The warrants are exercisable at 5.00p per share at any time for a period of three years from the date of admission of the placing shares.

Post Year End Fund Raise

On 2 October 2019, YOLO raised £750,000 before costs by a placing of 30,000,000 new ordinary shares. Under the placing each placee received one warrant for every two placing shares subscribed. The warrants are exercisable at 6.00p per share at any time up to 31 October 2020. A further 2,500,000 warrants exercisable on the same terms were also issued in lieu of fees payable to an introducer.

£500,000 of the placing monies have been received and the balance of £250,000 is due to be paid to the Company on or before 31 December 2019. The associated 10,000,000 placing shares and warrants will be issued when that payment has been received.

Investment Strategy

Our vision is to be a successful and profitable investment company focusing on technology, travel, leisure and media sectors with a particular focus in the fields of big data, machine learning, telematics and the internet of things (IoT). We will achieve this by identifying early stage or turnaround opportunities that require investment and or have the potential for a reverse takeover. We will invest into businesses with content and delivery capability that engage customers, monetise the user experience and have potential to scale.

The Company's investing policy is to invest into businesses which have some or all of the following characteristics:

- strong management with a proven track record;
- ready for investment without the need for material re-structuring by the Company;
- generating positive cash flows or imminently likely to do so;
- via an injection of new finances or specialist management, the Company can enhance the prospects and therefore the future value of the investment;
- able to benefit from the directors' existing network of contacts; and
- the potential to deliver significant returns for the Company.

Whilst the directors will be principally focused on making an investment in private businesses, they would not rule out investment in listed businesses if this presents, in their judgment, the best opportunity for shareholders.

The Company intends to be an active investor in situations where the Company can make a clear contribution to the progress and development of the investment. In respect of other, more substantial investment opportunities, the directors expect that the Company will be more of a passive investor.

The directors believe that their broad collective experience together with their extensive network of contacts will assist them in the identification, evaluation and funding of appropriate investment opportunities. When necessary, other external professionals will be engaged to assist in the due diligence on prospective targets and their management teams.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules. Where the Company builds a portfolio of related assets it is possible that there may be cross-holdings between such assets. The Company does not currently intend to fund any investments with debt or other borrowings but may do so if appropriate.

The Company's primary objective is that of securing for the shareholders the best possible value consistent with achieving, over time, both capital growth and income for shareholders through developing profitability coupled with dividend payments on a sustainable basis.

Outlook

The Board will continue to pursue and evaluate opportunities that meet the investment criteria.

I would like to thank our shareholders and advisors for sharing our vision and supporting the board.

Simon Robinson
Chairman
Date: 2 December 2019

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
Revenue	2	14,000	20,250
Administrative expenses		(246,306)	(284,028)
Impairment loss on investments		(446,974)	-
Unrealised losses on remeasurement to fair value	9	(52,930)	(841,489)
OPERATING LOSS BEFORE FINANCING ACTIVITIES		(732,210)	(1,105,267)
Finance income	3	426	53
LOSS BEFORE TAX	4	(731,784)	(1,105,214)
Tax charge	7	-	-
LOSS AFTER TAX		(731,784)	(1,105,214)

Loss per share (pence per share)			
Basic	8	(1.40)p	(2.50)p
Diluted		(1.40)p	(2.50)p

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
ASSETS			
Non-current assets			
Investments	9	2,684,091	3,083,995
		2,684,091	3,083,995
Current assets			
Trade and other receivables	10	69,466	86,986
Cash and cash equivalents		242,415	270,524
		311,881	357,510
TOTAL ASSETS		2,995,972	3,441,504
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	11	27,445	32,693
Total liabilities		27,445	32,693
Equity			
Share capital	12	5,207,754	5,206,954
Share premium account		7,864,973	7,574,273
Retained earnings		(10,104,200)	(9,372,416)
Total equity		2,968,527	3,408,811
TOTAL EQUITY AND LIABILITIES		2,995,972	3,441,504

The financial statements were approved and authorised for issue by the board of directors on 2 December 2019 and were signed below on its behalf by

Simon Robinson
Chairman

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Share capital £	Share Premium Account £	Retained Earnings £	Total £
At 1 October 2017	5,206,954	7,574,273	(8,267,202)	4,514,025
Total comprehensive income for the year			(1,105,214)	(1,105,214)
Transactions with owners				
Shares issued	-	-	-	-
Cost of new issue	-	-	-	-
At 1 October 2018	5,206,954	7,574,273	(9,372,416)	3,408,811
Total comprehensive	-	-	(731,784)	(731,784)
expense for the year	-	-	-	-
Transactions with owners				
Shares issued	800	299,200	-	300,000
Cost of new issue	-	(8,500)	-	(8,500)
At 30 September 2019	5,207,754	7,864,973	(10,104,200)	2,968,527

Share capital

Represents the par value of shares in issue.

Share premium

Represents amounts subscribed for share capital in excess of its nominal value, net of directly attributable issue costs.

Retained earnings

Represents accumulated losses to date.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019	2018
	£	£
Operating activities		
Loss for the year	(731,784)	(1,105,214)
Adjustments for:		
Decrease/(increase) in trade and other receivables	17,520	(24,006)
Decrease in trade and other payables	(5,249)	(11,684)
Net finance cost	426	53
Unrealised losses on remeasurement to fair value	52,930	841,489
Impairment of investments	446,974	-
Net cash used in activities	(219,183)	(299,362)
Investing activities		
Payments to acquire investments	(100,000)	(50,000)
Net finance income	(426)	(53)
Net cash used in investing activities	(100,426)	(50,053)
Financing activities		
Net proceeds from issue of shares	291,500	-
Net cash generated from financing activities	291,500	-
Net (decrease)/increase in cash and cash equivalents	(28,109)	(349,415)
Cash and cash equivalents at the start of the year	270,524	619,939
Cash and cash equivalents at the end of the year	242,415	270,524
Cash and cash equivalents consist of:		
Cash and cash equivalents	242,415	270,524

The Company had no debt in either period, therefore no debt net reconciliation has been presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The financial statements have been prepared in accordance with EU endorsed International Accounting Standards and International Financial Reporting Standards (collectively "IFRS") and the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are presented in sterling and have been prepared on the historical cost basis, except where IFRS requires an alternative treatment. The principal variations from historical cost relate to financial instruments (IAS 39).

The Company is a public listed company, quoted on AIM and is incorporated and domiciled in the UK.

Adoption of international accounting standards

Standards adopted early by the Company

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for later accounting periods and which have not been adopted early. There were no new standards, amendments or interpretations that are expected to have a material impact on the Company.

1.2 Going Concern

The Company had net assets of £2,968,527 as at 30 September 2019 (2018 net assets £3,408,811) and generated a loss before tax of £731,784 (2018 loss before tax: £1,105,214) in the reporting period.

On 2 October 2019, the Company raised £750,000 before costs of which £500,000 has been received by the date of approval of these financial statements. The balance of £250,000 is due to be received by 31 December 2019. The working capital provided by this funding will be used for investment and working capital.

In light of this additional funding and after taking into account anticipated operational costs considered as part of a cash flow forecast prepared to December 2020, the directors are confident that the Company will remain in operational existence for the foreseeable future and that the going concern basis of preparation is appropriate to the Company's financial statements.

1.3 Revenue

Revenue is recognised when revenue and associated costs can be measured reliably and future economic benefits are probable. Revenue is measured at fair value of consideration received or receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

IFRS 15: Revenue from contracts with customers (which applies to accounting periods commencing after 1 January 2018) has been applied. It has not had a material effect on the financial statements or the recognition of revenue during the period.

1.4 Interest income

Interest income is accrued on a time apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable.

1.5 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's liability to current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or if the initial liabilities in a transaction that affect either the taxable profit or the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.6 Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company has become a party to the contractual provisions of the instrument.

IFRS 9 replaces IAS 39 and addresses the classification, measurement and recognition of financial assets and financial liabilities. The Company has assessed the impact of IFRS 9 to the financial statements as follows:

- Classification and measurement: The Company's financial assets will be reclassified as amortised cost, fair value through other comprehensive income, or fair value through the statement of comprehensive income. Classification will be based on an analysis of the Company's business model objective and the contractual cash flow characteristics of its financial assets. Financial liabilities will be accounted for in the same way as under existing standards. As a result of adopting IFRS 9 there has been no impact on the current year or the prior year in terms of the classification of financial assets or liabilities.

- Impairment: IFRS 9 introduces a three-stage model for impairment based on change in credit quality since initial recognition with each stage representing a change in the credit risk of financial instruments. If a significant increase in credit risk is identified the financial instrument is moved from stage one to two but is not yet deemed to be credit impaired, these assets are moved to stage three. The expected credit loss for stage one financial instruments is equal to the portion of life expected credit losses that result from default events within the next twelve months. The Expected Credit Loss ("ECL) for stage two and three financial instruments is equal to expected credit losses on a lifetime basis.

The Company does not have complex financial instruments that are affected by the above changes and therefore the application of the above has had no material effect on the accounts as historically there has been no impairment of these basic financial assets. Therefore all financial assets are considered to be stage 1. The adoption of IFRS 9 has no impact on the financial statements.

Investments

Equity investments are initially recognised at cost, being the consideration paid. All investments are classified at fair value through profit or loss and measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the year in which they arise. In respect of unquoted investments (Level 3) fair value is determined by reference to a variety of valuation techniques. In respect of quoted or listed investments (Level 1) the value is based on the closing mid-market price recorded by the relevant market.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term deposits with maturities of three months or less. Bank overdrafts also form part of net cash and cash equivalents for the purposes of the cash flow statement.

Trade and other receivables
Trade and other non-interest bearing receivables are initially recognised at cost and are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective and probable evidence that it is uncertain if the amount due can be collected. Movement in the provision charged or credited in the period is recognised in the income statement.

The Company discounts some of its trade receivables. The accounting policy is to continue to recognise the trade receivables within current assets and to record cash advances as borrowings within current liabilities.

Trade and other payables
Trade and other payables are not interest bearing and are initially recognised at cost and are subsequently measured at amortised cost using the effective interest method.

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

1.7 Share based payments
The Company issues equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of instruments that will eventually vest with a corresponding adjustment to equity. Fair value is measured by use of a Black Scholes model. The expected life use in the model has been adjusted based on management's best estimates, for the effect of non-transferability, exercise restrictions, and behavioral considerations.

Non-vesting and market vesting conditions are taken into account when estimating the fair value of the option at grant date. Service and non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

1.8 Standards in issue but not yet effective
New standards and interpretations currently in issue but not effective, based on EU mandatory effective dates, for accounting periods commencing on or after 1 October 2018 are:

- IFRS 16 Leases (EU effective date 1 January 2019)

The Company is in the process of assessing the impact of this new standard and interpretation on its financial reporting but has as yet not adopted any before the effective date. Currently the Company has a rolling lease for rent which is under FRS 16 will not be affected.

1.9 Critical accounting judgements and key sources of estimation uncertainty
Estimates and judgements are continually evaluated and are based on historical experience, internal controls, advice from external experts and other factors, including expectations of future events that

are believed to be reasonable under circumstances. The following estimates are considered integral to the Company:

Investment valuation

The Company has a number of level 3 investments whereby their valuation is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable data.

Management regularly review the valuation of the investments against both the ongoing results of the businesses and the price at which any further investment into the business has taken place.

2. REVENUE

	2019 £	2018 £
Management fees	14,000	20,250

The Company only has one class of business, investment holdings and management, and therefore no segmental information has been presented.

3. FINANCE INCOME

	2019 £	2018 £
Bank and other interest received	426	53
	426	53

4. (LOSS) FOR THE YEAR BEFORE TAX

	2019 £	2018 £
(Loss) for the year is stated after charging:		
Auditors' remuneration		
- audit services	13,000	12,500
- non-audit services	1,250	3,100

5. DIRECTORS' EMOLUMENTS

	2019 £	2018 £
Aggregate emoluments including benefits in kind, by director, are as follows:-		
Simon Robinson	35,000	50,000
Sohail Bhatti	54,742	56,431
Sean Nicolson	24,000	-
Aggregate emoluments	113,742	106,431

Warrants granted to directors during the year are disclosed in the Remuneration Report. No director exercised share warrants in the year.

The number of directors for whom retirement benefits are accruing under defined contribution schemes was nil (2018: Nil). The total contributions payable during the year amounted to £Nil (2018: £ Nil).

Warrants held at the end of the year are detailed below

	2019 Number	2018 Number
Simon Robinson - exercise price 13p, expired 31 October 2019	980,000	980,000
Simon Robinson - exercise price 5p, expires 31 May 2022	2,000,000	
Sohail Bhatti - exercise price 5p, expires 31 May 2022	2,000,000	-
Sean Nicolson - exercise price 5p, expires 31 May 2022	1,000,000	-
	5,980,000	980,000

6. STAFF COSTS

	2019 Number	2018 Number
The average monthly number of employees (including directors) during the year was		
Administration	3	3

	2019 £	2018 £
Employment costs		
Wages and salaries	104,000	100,000
Social security costs	8,824	9,300
	112,824	109,300

7. TAXATION

	2019 £	2018 £
7(a) Current year tax		
UK corporation tax (note 7(b))	-	-
7(b) Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(731,784)	(1,105,214)
Profit/(loss) on ordinary activities before taxation multiplied by the main rate of UK corporation tax 19% (2018: 19%)	(139,039)	(209,990)
Effects of:		
Non deductible expenses	97,268	159,883
Deferred tax not recognised	41,771	50,107
Current tax charge	-	-

The Company has unutilised losses carried forward of £1,700,063 (2018: £1,480,217). No deferred tax asset has been recognised relating to these losses as the timing and level of future profits remains uncertain.

8. LOSS PER SHARE

The calculations of loss per share are based on the following losses and number of shares.

	2019		2018	
	Basic	Diluted	Basic	Diluted
Loss for the financial year	(731,784)	(731,784)	(1,105,214)	(1,105,214)
Weighted average number of shares for basic and diluted loss per share	49,355,416	49,355,416	44,132,276	44,132,276

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

9. INVESTMENTS

	Level 1	Level 3	Total
	£	£	£
Held at fair value			
At 1 October 2017	264,855	3,610,628	3,875,483
Additions during the year		50,000	50,000
Revaluation	(104,810)	(736,678)	(841,488)
At 1 October 2018	160,045	2,923,950	3,083,995
Additions during the year	-	100,000	100,000
Revaluation	(52,930)	(446,974)	(499,904)
At 30 September 2019	107,115	2,576,976	2,684,091
Net book value			
At 30 September 2019	107,115	2,576,976	2,684,091
At 30 September 2018	160,045	2,923,950	3,083,995

Investments are measured at fair value. The directors consider that the carrying amount of investments approximates to their fair value.

Level 1 reflects financial instruments quoted in an active market.

All unquoted investments are Level 3 in the fair value hierarchy, being financial instruments whose fair value is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

The Company acquired the following investments during the year:

On 5 February 2019 the Company made an investment of £100,000 in Sparkledun Limited to acquire a 3.41% equity interest.

10. TRADE AND OTHER RECEIVABLES

	2019 £	2018 £
Trade receivables	27,600	36,000
Prepayments and accrued income	7,633	13,660
Other receivables	34,233	37,326
	69,466	86,986

The directors consider the carrying value of trade receivables to equal their fair value. No interest is charged on receivables.

11. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Trade payables	5,877	-
Accruals and deferred income	18,420	22,536
Other taxes and social security	3,148	10,157
	27,445	32,693

The directors consider the carrying value of trade payables to equal their fair value.

12. SHARE CAPITAL

	2019 £	2018 £
Issued and fully paid		
As at 1 October 2018	5,206,954	5,206,954
Issue of 8,000,000 (2018: Nil) Ordinary shares of 0.01p each	800	-
At 30 September 2019	5,207,754	5,206,954
The Company has the following classes of share capital		
Ordinary shares 52,132,276 (2018: 44,132,276 of 0.01p) shares of 0.01p each	5,213	4,413
A deferred shares (44,132,276 shares of 9.99p each)	4,408,815	4,408,815
Deferred shares (8,819,181 shares of 9p each)	793,726	793,726
	5,207,754	5,206,954

Share transaction history

During the 2019 financial year the following share transactions took place.

On 5 February 2019 the Company issued 8,000,000 new ordinary shares of 0.01p each at 3.75p per share. Each placee also received one warrant for every four shares subscribed for at an exercise price of 5p.

The ordinary shares have full voting rights, priority dividend rights and priority in the case of winding up.

The deferred shares of 9p each have no voting rights and shareholders are not entitled to any dividend, and only receive the nominal amount paid up on their share after there has been a distributed £1,000,000 to the holders of the ordinary shares. The deferred shares shall not entitle the holders thereof to any further or other right of participation in the assets of the Company.

The A deferred shares have no voting rights and shareholders are not entitled to any dividend, Holders of A deferred shares shall be entitled to the amount paid up or credited as paid up on the A deferred shares to be paid out of the assets of the Company available for distribution among the members, after payment, to the holders of deferred Shares of the amounts paid up thereon. The holders of the A deferred shares shall not be entitled to any other or further right to participate in the assets of the Company.

Warrants

	Warrant Number	**Exercise price pence**	**Expiry Date**
As at 1 October 2018			
	305,985	13p	15/07/2019
	5,980,000	13p	31/10/2019
	6,285,985		
Lapsed	(305,985)	13p	15/07/2019
Issued	2,000,000	5p	21/02/2022
Granted	5,000,000	5p	31/05/2022
	12,980,000		
As at 30 September 2019	5,980,000	13p	31/10/2019
	2,000,000	5p	21/02/2022
	5,000,000	5p	31/1052022
	12,980,000		

Share based payments are measured at fair value with reference to the Company's accounting policy outlined in note 1.7

13. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash and various items such as trade receivables and trade payables that arise directly from its operations.

Categories of fair values of financial assets and liabilities

Set up below is a comparison by category of the carrying amounts and fair values of the Company's financial instruments:

	2019	**2018**

	£	£
Financial assets		
Cash and cash equivalents	242,415	270,524
Trade receivables	27,600	36,000
Other receivables	34,233	37,326
Total financial assets	304,248	343,850
Non-financial assets		
Prepayments and accrued income	7,633	13,660
Other receivables		
TOTAL ASSETS	311,881	357,510
Financial liabilities		
Financial liabilities measured at amortised cost:		
Accruals	18,420	22,536
	18,420	22,536
Non-financial liabilities		
Other payables	9,025	10,157
TOTAL LIABILITIES	27,445	32,693

The fair value of the Company's financial assets and liabilities are considered by the directors not to be materially different from their carrying values in the statement of financial position, as such no fair value hierarchy analysis has been produced.

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

The main risks arising from the Company's financial instruments are interest rate movements, liquidity risk, and credit risk. The directors do not consider there to be significant exposure to market or price risk.

Interest rate risk

It is the Company's policy to regularly review the Company's exposure to interest rate risk.

Financial assets

The Company's exposure to interest rate risk currently applies only to the interest received on cash deposits which is based on the NatWest base rate. The Company's floating rate cash balances at the year end were £234,376 (2018: £115,465).

Liquidity risk

The principal risk to which the Company is exposed is liquidity risk. The nature of the Company's activities means it finances its operations through retained earnings and the issue of new shares to investors. The principal cash requirements are in relation to the Company's investing policy and meeting working capital requirements. The Company seeks to manage liquidity through planning, forecasting, and careful cash management.

Credit risk

The Company carries out credit checks on potential customers and monitors and chases debts that are overdue to mitigate their credit risk.

Capital management

The Company's main objective when managing capital is to protect returns to shareholders by ensuring the Company will continue to invest and trade profitably in the foreseeable future. The Company also aims to maximise its capital structure of equity so as to minimise its cost of capital. The Company expects its current and projected capital resources to be sufficient to cover its existing liabilities.

The Company has not made any changes to its capital management during the year.

14. ULTIMATE CONTROLLING PARTY

The Company is admitted to AIM and there is no individual controlling party. The Directors' Report provides details of those shareholders with an individual holding exceeding 3% of issued share capital.

15. RELATED PARTY DISCLOSURES

Apart from directors' remuneration shown in Note 5 there were no other transactions falling within the scope of IAS 24 Related Party Disclosures.

16. POST BALANCE SHEET EVENTS

On 2 October 2019, the Company successfully raised £750,000 before costs via a placing ("Placing") of 30,000,000 new ordinary shares of 0.01p each with new and existing investors at an issue price of 2.50p per share ("Placing Shares"). Under the Placing each Placee received one warrant for every two Placing Shares subscribed for as part of the Placing. The warrants are exercisable at 6.00p per share at any time from the date of Admission of the Placing Shares to 31 October 2020. A further 2,500,000 warrants exercisable on the same terms were also issued in lieu of fees payable to an introducer.

£250,000 of the placing monies are due to be paid to the Company on or before 31 December 2019 and the associated 10,000,000 placing shares and warrants will be issued when that payment has been received.