Satellite Solutions Worldwide.

Annual Report & Accounts 2016

Satellite Solutions Worldwide.

Company Information

Directors	M Tobin OBE P Howard R Sargent – resigned 10 February 2017 A Walwyn F Waters S Clifton – appointed 29 September 2016 S Morana – appointed 10 February 2017
Company registration number	09223439
Company secretary	B Harber
Registered office	Satellite House 108 Churchill Road Bicester Oxfordshire United Kingdom OX26 4XD
Broker & Nominated adviser	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Solicitors	Shepherd and Wedderburn 10 St. Paul's Churchyard London EC4M 8AL
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG

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COMPANY OVERVIEW

Satellite Solutions Worldwide Group plc ('Satellite Solutions' or the 'Company') is a global telecommunications business specialising in rural, last-mile and emergency communications via satellite, wireless and associated technologies. In certain territories, the company also offer fibre alternatives. The company operates a number of trading brands across the world including:

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

Satellite Solutions super-fast broadband offerings provide solutions where traditional broadband providers cannot deliver vital communications to a home, community or business.

Satellite Solutions provides a wide variety of packages to customers starting from £9.99 a month. We are independent of all providers and can therefore offer customers impartial advice. We have c.79,000 customers in 32 countries, with the largest markets being the United Kingdom, Australia, and France.

Satellite Solutions uses its proprietary cloud based software platform to provide a superior customer experience, to minimize the costs of managing the customer base and to facilitate the seamless consolidation of acquired businesses to help achieve its ambition to become the pre-eminent alternative broadband provider in Europe and Australia.

The business is focused on:

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

STRATEGIC REPORT

Chairman's Statement

"Customer numbers have increased three-fold and we have successfully shown we can consolidate our industry..."

I am very pleased to be able to report another year of strong growth for the Company, including for the first time, our maiden year of positive underlying EBITDA.

By any standard, 2016 has been a transformational year for the Company both operationally and financially. Customer numbers have increased three-fold and we have successfully shown we can consolidate our industry; identifying, negotiating, acquiring and integrating new companies into our operating platform. This means sales, banking, communications and customer relations all improve post integration, enabling further revenue and operating margin enhancements can be generated from the growing customer base.

During the year, we raised significant amounts of equity and debt to fund six acquisitions across five countries. In addition, we have successfully generated strong organic growth in our core markets, with an 11.7% increase in like for like organic sales in the year.

The acquisition of Avonline Broadband in July significantly strengthened our position in a core territory, giving us a majority share of the UK satellite broadband market. In August, the acquisition of Breiband in Norway added a broad range of services and skills to the Company's portfolio and increased our ability to manage and deliver both satellite and fixed wireless technologies. We intend to extend this skill set to our new territories in 2017.

The third significant acquisition of the year was Skymesh in Australia. The progressive Australian government has invested significantly in satellite technology, helping its large number of remotely based citizens and creating a climate of tremendous opportunity for satellite broadband in general and SSW in particular. The Skymesh acquisition has presented us with an excellent opportunity to take advantage of a vibrant marketplace, including the possibility of further acquisitions, and I believe Australia will become a key market in the future.

Raising substantial amounts of new equity and debt capital has been a key to the Company's success and growth in 2016 and I would like to thank both our existing and new shareholders for their support. A special mention should go to BGF who have invested significantly into our business and their continued support, through their subordinated loan, and their subsequent equity investment, in 2016, was key to delivering an enlarged business during the period.

As stated last year, I am a strong believer that good corporate governance supports a Company's long-term success. This is even more important for 2017 and beyond, given the speed of our growth, the increased amounts of capital raised and the geographic spread and size of our business. The structures, advisers and committees we have in place for establishing and articulating the Board's strategy and monitoring the performance of the Company's management continue to evolve.

In September 2016, Simon Clifton, one of the original founders of the Company, joined the Board as Chief Technical Officer. Simon brings a wealth of technical knowledge to the Company as we develop our customer product offerings across the globe. Post the year end, in February 2017, Rodger Sargent left the board as a Non-executive and was replaced by Stephen Morana. I look forward to working with Stephen and believe his experience at Betfair, Zoopla and boohoo.com, will be vital as the Company continues its rise through to higher market capitalisations and wish Rodger well in his future in the knowledge he will remain a vocal supporter of the Company going forward.

Part of our governance regime is our continued regular communication with all of shareholders as our strategy continues to progress. To this end, we have embarked on an inclusive investor relations programme in 2017 and welcome all shareholders to the Company's AGM at 2:00p.m. on 27 April, which will be held at the offices of Shepherd and Wedderburn LLP, Condor House, 10 St Paul's Churchyard, London EC4M 8AL. My colleagues and I look forward to welcoming you there.

Finally, I would like to thank Andrew Walwyn, his management team and all the staff at the Company for their efforts in 2016. Everyone played their part in a demanding yet very successful year in the Company's life. I, and the rest of the Board, are looking forward to the remainder of 2017 with relish.

Michael Tobin OBE
Chairman
29 March 2017

> ***"Raising substantial amounts of new equity and debt capital has been a key to the Company's success and growth in 2016."***

Chief Executive Report

Since listing the Company on AIM in May 2015, the business has established itself as the largest satellite broadband provider in Europe and the fourth largest in the world.

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

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

We continue to consider a number of possible new acquisition targets within Europe and Australasia. We have created a 'template' system for analysis, structuring and negotiating deals that has proved very successful thus far. I am particularly pleased with how the acquisitions have been integrated; different cultures, languages, currencies, systems, personnel and logistics across over 32 countries take a great deal of co-ordination and the team has risen to this challenge. We are seeing real benefits of being a bigger company, through enhanced negotiating power with our suppliers, to better, higher margin services being offered to customers

Operational Review

We have delivered significant organic and acquisitive growth over the year to 30 November 2016. At year end, the Company had c.79k customers, an increase of over 200% (FY2015: c.25k customers).

The customer base is currently split 37% Australia, 16% Norway, 15% UK, 15% France and ROW 17%, (FY2015: 56% UK, 20% France, 10% Ireland, and ROW 14%) reflecting the global ambition and revenue diversification of the Company this year. We have extended our network agreements to ensure provision of coverage to customers whom we currently serve across 32 countries.

Whilst acquisition plans continue to move ahead, we are actively deriving economies of scale and cost synergies from our enlarged base, as shown by the VNO deal with SES post year end. We have rolled out the 'hub' concept across the Company where local hubs will have dedicated sales, marketing and technical operations, whilst centralised finance and operational matters are run from Bicester HQ. We now have operational hubs in Australia, UK, Norway, France, Poland and Ireland.

As outlined previously we have continued to invest in both our customer user interface, network platform and infrastructure to allow central consolidation of the finance and administration functions. This investment in systems will continue in 2017, as it is key to have robust, scalable platforms to cope with our rate of growth.

Financial Results

During the year to 30 November 2016, the Company generated revenues of £21.5m (2015: £7.4m), and underlying EBITDA (before share based payments, depreciation, intangible amortisation, acquisition costs and fund raising fees) was £1.2m (2015: an underlying EBITDA loss of £0.8m). Total exceptional costs of £2.4m (2015: £5.0m) consist of charges in relation to equity fund raising and acquisition related costs in the year.

The Company raised £12.1m cash (gross) in August 2016 through an institutional equity placing and a further £12m in subordinated debt from BGF to fund acquisitions. The majority of these funds were used to invest in future growth through the acquisition of a number of companies and businesses. The Company finished the year with cash at bank of £3.3m (2015: £1.7m).

A more detailed review and explanation of the results is included in the Financial Review section which follows this Report.

"At year end, the Company had c.79k customers, an increase of over 200%."

Strategy and Key Performance Indicators ('KPIs')

The Company's product set is centered on meeting the increasing consumer demand for broadband in remote locations and the peripheries of large urban centers, which are not served by fibre or alternative solutions. We have continued to invest in Satellite Solutions proprietary technology platform, and work with our satellite partners and distributors to give the best customer support, whilst maximising sustainable long term margin generation.

The board monitors and evaluates these fundamental KPI's which have a direct impact on our ability to generate significant shareholder value:

- Revenue growth was 190% which includes organic, acquisitions and full year results of businesses acquired in 2015
- Organic revenue growth* was 11.7%
- Gross Margins improved from 24.4% to 34%
- Underlying** EBITDA margin increased from an underlying EBITDA loss of 10.3% to underlying EBITDA profit of 5.7%
- Operating Cash increased from £4.6m outflow to £0.6m inflow
- Customer base (organic and acquired) increased from c25k customers to c79k.
- EPS improved during the year from a loss of 1.95p in 2015 to a loss of 1.57p

*organic revenue growth compares current and prior period revenue, treating acquired businesses as if they had been owned for all of both periods.

**before share based payments, depreciation, intangible amortisation, acquisition costs and fundraising fees.

"We have continued to invest in Satellite Solutions proprietary technology platform."

We will update the market with a half yearly KPI report to provide continued guidance to progress. In addition, we are planning to launch several new products in 2017, using existing technology, to bring a wider range of complimentary solutions to customers. We believe this will generate new revenue streams from our existing, and potential, customer base.

"This considerable strengthening of our initial shareholder base will stand us in good stead for the future..."

Investor Support

A key aspect of 2016 has been the significant increase in the Company's capital base. It was a tribute to the potential of our buy-and-build strategy that BGF, the UK's most active provider of growth capital to small and mid-sized businesses, backed us with £12m of subordinated debt in July 2016, when we had a relatively small user base. This funded the acquisition of Avonline, creating the UK's largest satellite broadband provider.

The subsequent £12.1m equity raise, also supported by BGF, along with many other of the UK's pre-eminent small-cap institutions funded our geographical and technological expansion through the purchase of Breiband in Norway and Skymesh in Australia. This considerable strengthening of our initial shareholder base will stand us in good stead for the future and I am very grateful for their on going support as we continue to grow.

Acquisitions

As has been mentioned elsewhere, the acquisition of Avonline Broadband in the UK has strengthened our position in one of our core markets, giving us a majority of UK satellite broadband users. The deal was structured so that existing management remained to provide support services to the business for a year from acquisition.

The acquisition of Breiband in Norway in August 2016 has added a broad range of services and skills to the Company's portfolio and increased our ability to manage and deliver on both satellite and wireless technologies to rural and last mile customers. We have also gained an amazing new management team led by Jan-Tore Dannemark.

"The acquisition of Breiband in Norway in August 2016 has added a broad range of services and skills to the Company's portfolio."

The Australian government has been at the forefront of investment in satellite technology to resolve remote broadband issues. Through National Broadband Network, they have launched the Skymuster 1 and 2 satellites, providing capacity for 400,000 premises. In August 2016, we acquired Skymesh, one of Australia's pre-eminent satellite broadband operators. We believed Skymesh was best placed to take advantage of the tremendous growth and investment in the Australian market, and everything we have experienced since the acquisition has confirmed this belief. We are delighted that Managing Director Paul Rees and key management have remained with the business. The Australian team has been supplemented with a Marketing Director from the UK and a new Finance Director, reflecting the importance and growth potential of this business to the Company.

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

Whilst average broadband speeds in the UK were only 16.3 Mb in Q4 2016 (Akamai Report, Q4 2016), our headline speeds on consumer satellite broadband services are now up to 30 Mb on all our European platforms (qualifying for super-fast status) with up to 50 Mb available for business users. Our fixed wireless broadband networks, utilising leading-edge MU-MIMO technology, are now delivering 75 Mb services for consumers, with an upgrade path to 150 Mb by the end of 2018.

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

> *"Our R&D team has a clear product roadmap through to delivering up to 100 Mb on satellite broadband globally, with virtually unlimited data allowances by 2020."*

Post-balance sheet events

In February 2017, we received a £5m revolving credit from HSBC. This funding was partly utilised to make three smaller, but strategically important acquisitions of NextNet and ASDN in Norway and BorderNET in Australia.

Outlook

I am pleased we have had a good start to 2017, with like for like organic sales growth of 12% for the two months to January 2017. There are further efficiencies, both within revenue generation and cost savings, in the existing portfolio of companies and my team are working hard to further improve margins this year.

The opportunities we have continue to grow and as a board, we have had to recalibrate what we think is possible for the Company, as the scope for growth is beyond what we originally imagined when we first came to market.

Thanks to our strategy, the existing business is robust and growing organically but we are also continuing to pursue our acquisition strategy. I believe 2017 will be another transformational year for the Company as we continue to grow around the world.

Andrew Walwyn
CEO
29 March 2017

Financial Review

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

Company performance

In the year to 30 November 2016, Company revenues increased by 190% to £21.5m (2015: £7.4m), driven by acquisitions and an increase in organic sales of 11.7%. Gross profit increased to £7.3m (2015: £1.8m).

Underlying distribution and administrative expenses increased by 135% to £6.1m (2015: £2.6m) as a result of additional costs from acquired businesses combined with increased investment in relation to growing the business in the hubs within the Group.

Company adjusted results

Underlying EBITDA (which excludes share based payment charges, taxation, depreciation of tangible assets, amortisation of intangible assets, exceptional items and fair value adjustments) shows a profit of £1.2m (2015: loss of £0.8m). The post-acquisition costs operating loss widened fractionally to £6.03m (2015: loss of £6.01m).

The Company had acquisition and deal related costs of £2.1m during the year and a provision for legal costs of £0.3m. The costs comprise mainly professional and legal fees, which were recognised in relation to the fundraising and acquisition activities in the year. The Company took a charge of £0.3m (2015: £0.2m) which related to share based payments including the issue of shares and options to directors and employees. The comparative 2015 figures had acquisition and deal related costs of £2.6m, an adjustment on acquisition of £2.2m and share based payments of £0.2m.

Company statutory results

A reconciliation of the statutory operating loss before taxation for the year of £5.4m (FY2015: £6.0m loss) to the operating loss (before non cash items and acquisition costs) is shown below:

	2016 £'000	**2015 £'000**
Operating Profit / (Loss) before non-cash items and acquisition costs	1,237	(770)
Depreciation	(930)	(53)
Amortisation	(2,995)	(200)
Provision for potential legal costs	(300)	-
Share based payments	(316)	(156)
Acquisition costs and fund raising fees	(2,074)	(4,831)
Operating Loss	(5,378)	(6,010)

Segmental analysis

	Customers	**Revenue**	**Underlying* EBITDA**	**Closing employees**
UK	21,776	£6.9m	(£0.6m)	46
Europe	27,507	£11.8m	£1.7m	72
Australia	29,434	£2.8m	£0.1m	58
Total	78,717	£21.5m	£1.2m	176

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

BGF funding and support

We were delighted to receive support from Business Growth Fund ('BGF') during 2016 through a fully subordinated £12m 2026 unsecured loan note facility and associated equity warrants (the 'BGF loan and option'). The investment was through a £9.6m unsecured loan note and a further £2.4million unsecured convertible loan note, converting at 9p a share. BGF were also granted an option to acquire 74,019,915 new Ordinary Shares at 7.5p per share.

Capital repayments commence in May 2021 and the proceeds of BGF investment were primarily used to acquire Avonline Broadband and repay in full the £2m April 2016 unsecured Loan Note which had been obtained to fund the acquisition of IDHD and Viveole. This support from BGF transformed the Company.

Performance against Key Performance Indicators

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

KPI	Description	2016 performance
£21.5m Revenue 2015: £7.4m	Revenue represents that element of billings recognised in the period, including from bases or companies acquired from their date of acquisition.	Revenue growth has been experienced across all major hubs and driven by acquisitions and organic growth with particularly strong growth in Australia. Organic growth was 11.7%**
£7.3m Gross Margin 2015: £1.8m	Gross Margin represents the excess of revenues after costs of goods sold in the period including from bases or companies acquired from their date of acquisition.	Gross margins have improved during 2016 as a result of the acquisitions made and organic base management.
£1.24m Underlying *EBITDA 2015: (Loss £0.77m)	Earnings before interest, tax, depreciation and amortisation is the measure of the Group's operating performance. It evaluates performance without factoring in financing decisions, accounting decisions or tax environments or provisions for potential legal costs, share based payments, acquisition costs and fund raising fees.	EBITDA has improved during 2016 as a result of the acquisitions made, organic growth and improving cost controls.
£0.6m Operating Cash generated 2015: £4.6m used	Cash generated from operations	Operating cash £5.2m improvement due to increased revenues and improved cash management.
54,000 Connects 2015: 15,000	Represents gross organic connections plus acquisitions, less lost customers (churn) and base management.	Acquisitions accounted for c.52,000 of this increase.
(1.57p) EPS 2015: (1.95p)	Earnings per share (EPS) is the portion of a company's profit allocated to the weighted average of each outstanding share.	EPS improved marginally during the year from a loss of 1.95p in 2015 to a loss of 1.57p in 2016.

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

** organic revenue growth compares current and prior period revenue, treating acquired businesses as if they had been owned for all of both periods.

Company cash and cash flow

The Company delivered underlying EBITDA in the year of £1.24m. Cash flow from operating activities before interest, tax and exceptional items was £0.6m, which represents a conversion of over 52% of underlying EBITDA. Pre-exceptional cash outflow of the Company (after interest, tax and net capital expenditure) was £1.1m. Compared with underlying operating profit (i.e. post-depreciation), this represents a conversion ratio of -193%. This was lower than the prior year due to an increase in capital expenditure of £0.9m. The Company received a total of £12.1m from the issue of shares (2015: £6.3m) and BGF support £12m and Invested £20.1m in the acquisition of 4 companies as per Note 11. At 30 November 2016, the Company had cash in the bank of £3.3m (2015: £1.7m).

Net Debt and cash

Net debt as at 30 November 2016 was £10.2m. This compares with £1.6m net cash as at the previous year-end, the principal reason for the increase of £12m, being the BGF debt taken to fund acquisitions.

	2016	2015
Business Growth Fund Debt	(£12.0m)	-
Other Bank Debt	(£1.5m)	-
Cash and cash equivalents	£3.3m	£1.7m
Total (Net Debt) / Cash	(£10.2m)	£1.7m

Taxation

The reported tax credit in the year was £161k against a reported pre-tax loss of £6.2m. This was distorted by the impact of the exceptional and non-underlying costs, the majority of which have been treated as non-deductible for corporation tax purposes. The underlying effective tax rate measured against adjusted profit before tax is 20%.

Earnings per share

Basic earnings per share from continuing operations were a loss of 1.57p in the year, compared with a loss in 2015 of 1.95p.

Accounting standards

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

Funding and going concern

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

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

Dividend

At this stage given the investment opportunities being considered, the directors do not recommend the payment of a dividend (2015: Nil)

On behalf of The Board

Frank Waters
Chief Financial Officer
29 March 2017

Principal Risks and Uncertainties

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

Dependence on satellite owners and satellite infrastructure

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

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

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

Key contract terms

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

Mitigation: The Board and work closely with satellite owners as partners to develop short, medium and longer term sales plans, target opportunities and markets.

Supply failure

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

Mitigation: Regular meetings are held with equipment manufacturers to mitigate the risk of stock outs. In Australia, NBNCO supports customer equipment.

Lack of spare capacity within satellite fleets

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

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

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

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

The roll-up strategy

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

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

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

Dedicated resources are employed internally to on board the businesses into the Company and further enhance our operating system capabilities to reduce on going risk.

Competition for acquisition opportunities

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

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

Competition from emerging alternative technologies

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

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

Government policy and increased investment in fibre roll-out

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

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

System reliance

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

Mitigation: Continued and sustained development and testing of the existing systems is undertaken regularly. The recent acquisitions add significant technical skills to the Company.

Growth strategy

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

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

Dependence on key executives

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

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

Capital expenditure requirements

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

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

Fraud, including cyber attacks

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

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

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

Future funding

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

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

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

Taxation risk

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

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

Force majeure

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

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

General economic conditions

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

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

Brexit

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

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

The Strategic Report was approved by the Board of Directors on 29 March 2017 and was signed on its behalf by:

Andrew Walwyn
Chief Executive Officer

GOVERNANCE

Director's Report

The Directors present their report together with the audited financial statements for the year ended 30 November 2016.

Satellite Solutions Worldwide Group plc was incorporated on 17 September 2014 as Cleeve Capital plc and on 8 May 2015 changed its name.

Results and dividends

The consolidated statement of comprehensive income for the year is set out on page 41. No dividend has been declared or is proposed for the year.

Directors and their interests

The Directors who served during the year are set out below, together with their beneficial interests in the ordinary shares of the Company. Biographical details are included on pages 21-23.

		2016		**2015**	
	Appointed	**Ordinary shares of 1p each**	**Share options**	**Ordinary shares of 1p each**	**Share options**
Michael Tobin	29 Sept 2015	1,373,667	2,000,000	827,000	-
Paul Howard	29 Sept 2015	1,966,667	1,000,000	1,550,000	-
Rodger Sargent*	17 Sept 2015	9,487,668	1,000,000	8,748,421	-
Andrew Walwyn	12 May 2015	49,384,572	3,500,000	48,645,325	-
Frank Waters	12 May 2015	4,155,351	6,347,453	3,416,104	2,847,453
Simon Clifton	19 Sept 2016	33,848,450	-	-	-

**Rodger Sargent* resigned 10 February 2017*

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

	Share options	**Exercise Price (pence)**	**Share options**	**Exercise Price (pence)**	**Share options**	**Exercise Price (pence)**
Michael Tobin	-	-	-	-	2,000,000	5.25
Paul Howard	-	-	-	-	1,000,000	5.25
Andrew Walwyn	-	-	3,500,000	5.25	-	-
Frank Waters	2,847,453	1.9759	3,500,000	5.25	-	-
Resigned Directors						
Rodger Sargent	-	-	-	-	*1,000,000*	*5.25*

There are a number of performance conditions as well as time restrictions relating to the financial year ended 30 November 2016 attached to these options. No options were exercised, lapsed or forfeited during the year.

Directors' Remuneration

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

	Year ended 30 November 2016				Year ended 30 November 2015
	Salary/fees £'000	Bonus £'000	BIK £'000	Total emoluments £'000	Total emoluments £'000
Current Directors:					
Michael Tobin (Non—Executive Director and Chairman)	50	—	—	50	10
Paul Howard (Non—Executive Director)	30	—	—	30	5
Andrew Walwyn (Chief Executive Officer)	166	51	16	233	125
Frank Waters (Chief Financial Officer)	142	45	11	198	107
Simon Clifton (Chief Technology Officer)	62	—	4	66	—
Past Directors:					
Rodger Sargent (Non—Executive Director)	30	—	—	30	15
Thomas Pridmore (Non—Executive Director)	—	—	—	—	15
Simon McGivern (Non—Executive Director)	—	—	—	—	15
Peter Redmond (Non—Executive Director)	—	—	—	—	—
	480	96	31	607	292

There were no pension contributions during the year (2015: £nil).

Service Contracts

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

Pensions and Private Healthcare

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

Substantial shareholdings

As at 29 March 2017 the Company was aware of the following interests in 3% or more of its issued voting share capital:

Shareholder	% holding	No. of shares
Candy Ventures SARL	10.09%	54,095,832
Andrew Walwyn	9.21%	49,384,572
Business Growth Fund	7.77%	41,666,666
Herald Investment Management	6.84%	36,666,666
Hargreaves Lansdowne	6.67%	35,768,471
Simon Clifton	6.31%	33,848,450
Hargreave Hale	4.99%	26,750,000

Employee involvement

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

Financial risk management objectives and policies

The Company's financial instruments comprise cash, liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Company's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The Directors review the policies for managing each of these risks on an on-going basis and they are summarised in note 22 to the financial statements.

Going concern

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

Directors' indemnity and insurance

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

Board of Directors

Michael Tobin: Non-Executive Chairman

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

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

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

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

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

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

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

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

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

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

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

Paul Howard: Non-Executive Director

Date of appointment: Paul joined the Board in September 2016.

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

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

External appointments: Paul is an advisor to Oakley Advisory and joined the business in April 2016.

Paul is an advisor to Oakley Advisory and joined the business in April 2016. Paul spent over 15 years with Cazenove as a telecoms and media analyst and was one of Cazenove's youngest ever partners. He won numerous awards from Reuters and Starmine and was Head of the Number One ranked European telecoms research team as ranked by the Institutional Investor in 2011. Paul left J.P. Morgan Cazenove in 2011 and became an investor and non-executive director of various small telecoms companies. He also spent a year with Morgan Stanley in 2015 helping their Select Risk equity trading business. Paul has a BSc from Durham University in Maths and is a qualified accountant.

Stephen Morana: Non-Executive Director

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

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

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

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

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

Andrew Walwyn: Executive Director

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

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

Independence: Executive – non independent.

External appointments: None.

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

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

Frank Waters: Executive Director

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

Committee memberships: None.

Independence: Executive – non independent.

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

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

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

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

Simon Clifton: Executive Director

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

Committee memberships: None.

Independence: Executive – non independent.

External appointments: None.

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

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

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

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

Statement of Directors' Responsibilities

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

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

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

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

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

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

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

On behalf of the Board

Andrew Walwyn
Chief Executive Officer
29 March 2017

Corporate Governance Statement

Dear Shareholder,

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

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

Michael Tobin OBE
29 March 2017

UK corporate governance code

This report, which is available on the Company's website, explains the key features of the Company's governance structure to provide a greater understanding of how the main principles of the UK Corporate Governance Code ("Code"), published in September 2014 by the Financial Reporting Council ("FRC"), have been applied and to highlight areas of focus during the period. The Code can be found on the FRC's website at www.frc.org.uk.

The Company achieved a listing on the London Stock Exchange Alternative Investment Market on 12 May 2015. In the months prior to listing work was done by the Company to ensure it had appropriate governance structures and policies in place so as to comply with the Code before the Company's shares were admitted to trading. These have continued to be developed in the Company's first full year as a listed company. Accordingly, the corporate governance statement and the reports of the Audit and Risk, Nomination and Remuneration, Committees explain how the provisions and principles of the FCA Listing Rules, Disclosure and Transparency Rules and the Code have been applied in the period from last year end to 30 November 2016.

Compliance with the code

In the period from listing to 30 November 2016 the Company complied with all the principles and provisions of the Code, except as set out below:

Code provision B.1.2 recommends that at least half the Board of Directors of a UK-listed company, excluding the Chairman, should comprise Non-Executive Directors determined by the Board to be independent. The Board considers that the Company does not comply with the requirements of the Code in this respect, however the Company intends to move towards compliance with this requirement within a reasonable period of time. In furtherance of this goal, the Board recently commenced a process to identify and recruit one or more potential candidates to serve as Non-Executive Directors. The Board currently expects to have at least one new Independent Non-Executive Director appointed to the Board before 31 May 2017; although, there can be no assurance that suitable candidates will be identified, that they will accept the appointment, or that the appointment can be completed within the Board's desired timeline.

The Directors who are not considered independent are:

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

The Board and its committees

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

Role of the Board and management

Role of Chairman and Chief Executive Officer
There is a clear division of responsibilities between the running of the Board and the executive responsible for the Company's business.

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

Board processes

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

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

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

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

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

Role and Responsibilities of the Board

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

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

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

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

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

Board focus during the year

- **Strategy:** During FY16, the Board worked with management to identify and anticipate industry trends to ensure that the Company's strategy is designed to address these trends as well as other industry dynamics, such as the competitive landscape. The Board also considered and approved a number of acquisition opportunities to advance the Company's strategy. During FY16, the Board approved six acquisitions. The Board also reviewed relationships with the Groups main partners and suppliers.
- **Financials:** During FY16, the Board reviewed the Group's operating results and financial statements with management and the Company's external auditors. The Board also reviewed and approved the Budget and operating plan for the financial year.
- **Fundraising:** During FY16, the Board worked with management to identify and source appropriate funding options to pursue the roll up strategy. The Board were delighted with the support from Business Growth Fund as well as new and existing shareholders throughout the summer of 2016.
- **Governance:** As noted above, the Board continued to review of its governance structure in FY16. As a result of this review, the Board considered and noted its compliance with the requirements applicable to a publicly listed Company, including the Code. In addition the control environment was improved with the recruitment of additional financial resources.
- **Business performance:** In FY16, the Board received and reviewed reports from management on the performance of the Company's business. The Board engaged in discussions with management on various aspects of business performance, Key Performance Indicators, including business drivers, industry trends, risks, opportunities and the competitive landscape.

Board committees

Prior to listing in May 2015 the Board established the Audit and Risk Committee (Chaired by Rodger Sargent during FY16) to oversee financial reporting, internal control and the management of the risks the Company faces. The Board also established a Nomination Committee (chaired by Michael Tobin OBE) to lead the process for appointments to the Board and a Remuneration Committee (chaired by Michael Tobin OBE) which has the responsibility of helping to develop and manage the Company's Remuneration Policy.

The various committee reports can be found on pages 30 to 34 and each committees' full terms of reference are available on our website.

Table of Attendance

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

	Board		Audit and Risk Committee		Remuneration Committee		Nomination Committee***	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Michael Tobin OBE*	8	7	3	3	4	4	1	1
Paul Howard	8	8	3	3	4	4	1	1
Rodger Sargent**	8	8	3	3	4	4	1	1
Andrew Walwyn	8	8						
Frank Waters	8	8						
Simon Clifton	1	1						

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

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

** Rodger Sargent was Chairman of the Audit and Risk Committee

***There was 1 Nomination Committee meeting held during the year. The appointment of Simon Clifton to the Board was covered as a separate meeting following the September Remuneration Committee meeting

Board Composition, Qualification and Experience

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

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

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

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

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

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

Key Board Roles

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

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

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

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

Non-Executive Director Independence

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

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

As noted in the Annual Report on Remuneration on page 35, Michael Tobin OBE, Paul Howard and Rodger Sargent all participate in the Company's share option plan. Notwithstanding this, the Board considers Michael, Paul and Rodger to be independent in character and judgement. This is evidenced by the valuable contributions they make at Board and Committee meetings, and in particular, the knowledge and experience they bring to the roles as Chairman, Non-Executive Directors and Committee members.

Appointment and Tenure

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

Executive Directors serve on the basis of service agreements which are also available for inspection upon request. Further details on the Executive Directors' service agreements are included in the Annual Report on Remuneration, on page 35.

Director Training

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

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

Information and Support Available to Directors

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

Director Election

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

Directors' Conflicts of Interest

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

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

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

Independent professional advice and access to Company information

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

Board Evaluation and Effectiveness

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

Shareholder engagement

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

Annual General Meeting

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

Risk management and internal controls

The Audit Committee report explains the process carried out for the assessment of the effectiveness of the Company's risk management and internal control systems on page 32.

External Auditor

Hays Macintyre have expressed their willingness to continue as the Company's auditor. As outlined in the Audit and Risk Committee report on page 31, resolutions proposing their reappointment and to authorise the Audit and Risk Committee to determine their remuneration will be proposed at the 2017 AGM.

By order of the Board

Ben Harber
Company Secretary
29 March 2017

Nomination Committee Report

The role of the Nomination Committee is documented in its Terms of Reference which were reviewed and adopted by the Board of Directors in May 2016.

The Nomination Committee is chaired by Michael Tobin OBE, and its other members are Paul Howard and Stephen Morana, who joined on 10 February 2017, who are also Non-Executive Directors.

Role and responsibilities

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

Meetings during the year

The Committee met once in the financial year, at that meeting the Committee:

- reviewed the composition of the Board and its Committees, including the Chairmanship of each Committee; and
- agreed on the appointment of Simon Clifton to the Company Board.

Process for Board appointments

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

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

When the Company decides to appoint an Executive Director:

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

Michael Tobin OBE
Nomination Committee Chairman
29 March 2017

Audit Committee Report

The role of the Audit Committee is documented in its Terms of Reference which were reviewed and adopted by the Board in May 2015. I am pleased to present our first full annual report on the role and activities of the Audit Committee. May I begin by thanking Rodger Sargent for the huge amount of work he has put in over the last few year's.

Membership of the Committee

The Committee was chaired by Rodger Sargent throughout the year and by myself following my appointment, with Michael Tobin OBE and Paul Howard being the other members of the Committee. All members and the Chair are Independent Non-Executive Directors. All of the members of the Committee have extensive experience of the technology industry as well as financial procedures and controls. During the year ended 30 November 2016, the Committee met three times. The table on page 26 summarises the attendance of members at committee meetings.

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

Roles and activities

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

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

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

During the year-ended 30 November 2016 the Committee:

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

Significant issues

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

Revenue recognition

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

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

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

Goodwill and intangibles carrying value

At 30 November 2016, the Company had on its balance sheet goodwill of £13.3 million and intangibles of £11.5 million that has primarily arisen as a consequence of acquisitions. Management perform impairment reviews annually, or more frequently if there is an indication of impairment, based on the Group's hub's. The cash flow forecasts used for each hub are based on the latest Board approved budgets. Management prepare an accounting paper for review by the Committee that details the methodology applied, key assumptions used and the impact of sensitivity analysis.

Having considered the impairment reviews performed, the Committee is satisfied that the carrying value of goodwill and intangibles at 30 November 2016 is appropriate.

Internal controls and risk environment

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

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

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

Key elements of the control environment are:

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

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

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

How we manage risk

To enhance effective governance and risk management oversight in the future, it is intended that the Company will, as appropriate, establish an additional layer of risk management in the Audit Committee with the appointment of an Internal Auditor given the wide spread of hub's. This function is authorised by the Board to provide to provide an additional level of assurance to the Audit Committee in overseeing risk management and internal control activities. It will also provide the business with a framework for risk management, upward reporting of significant risks and policies and procedures.

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

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

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

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

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

Whistle-blowing and anti bribery

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

External Auditor

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

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

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

During the year-ended 30 November 2016, the non-audit services provided by Hays Macintyre primarily related to tax compliance activities and a review of the half year reporting. Full details of auditor's remuneration is shown in note 4 to the Financial Statements.

Review of effectiveness of External Auditors

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

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

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

Stephen Morana
Chairman of the Audit Committee
29 March 2017

Annual statement of the remuneration committee chairman

As Chairman of Satellite Solutions Remuneration Committee, I am pleased to present the Board Directors' Remuneration Report for the year ended 30 November 2016, which has been prepared by the Committee and approved by the Board. In line with the UK reporting regulations, this report is divided into three sections:

- The Annual Statement by the Remuneration Committee Chairman;
- The Directors' Remuneration Policy, which details the Company's remuneration policies and their link to Company strategy, as well as projected pay outcomes under various performance scenarios; and
- The Annual Report on Remuneration, which focuses on our remuneration arrangements and incentive outcomes for the year under review and how the Committee intends to implement the Remuneration Policy in FY17

We will be seeking shareholder approval for both our Remuneration Policy and the remuneration report at the Annual General Meeting ("AGM") on 27 April 2017.

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

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

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

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

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

Remuneration policy for FY17 and future years

Satellite Solutions Worldwide plc was listed on the Alternative Investments Market (AIM) in May 2015. In advance of its listing, the Remuneration Committee reviewed the Company's remuneration structure to ensure it aligns with the forward-looking strategy, is able to motivate and retain the executive team over the next key phase in the Company's development, and to ensure it takes into account market practice and best practice for a listed company. The remuneration structure for Executive Directors, which applies from the commencement of the new fiscal year 1 December 2016, is set out in the Remuneration Policy below. It is the Committee's desire to introduce a Long Term Incentive Plan for Executive Board Members and appropriate senior executives to ensure their interests are aligned with that of the shareholders.

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

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

Remuneration decisions in FY16

The activities of the Committee and key decisions in FY16 are set out below.

Effective from 1 September 2016, (nine months into the last financial year), the Executive Directors salaries were increased per annum by £45,000 for Andrew Walwyn to £200,000, £35,000 for Frank Waters to £165,000 and £25,000 for Simon Clifton to £160,000, reflecting the performance of the enlarged Group and their additional global responsibilities.

The Company achieved forecast results in the year-ended 30 November 2016, with revenue of £21.5m and EBITDA of £1.2m. As a result, Andrew Walwyn, Frank Waters and Simon Clifton will receive bonuses of (50) percent, (50) percent and (25) percent of salary, respectively. No uplift bonuses were awarded.

During the course of the year Andrew Walwyn and Frank Waters were granted awards under the Company Incentive Plan 2015/16 as follows:

	Options	**Price**	**Date**	**Vesting**
Andrew Walwyn	3,500,000	5.25p	March 16	15 December 2018
Frank Waters	3,500,000	5.25p	March 16	15 December 2018

Directors' remuneration policy

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

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

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

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

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

Future policy table

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

Fixed Pay

Base salary

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

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

Any increases are generally effective from 1 December.

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

Performance metric: Individual, hub and Company performance is taken into account when determining appropriate salary levels.

Pension

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

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

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

The CFO receives up to 4.5 percent of salary (Year 3) as a contribution to a Group workplace pension scheme.

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

Performance metrics: None.

Benefits

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

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

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

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

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

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

Performance metrics: None.

Variable Pay

Annual bonus

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

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

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

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

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

Maximum opportunity: The maximum bonus opportunity for Executive Directors will be up to 50 percent of base salary.

Up to 50 percent of maximum will vest for target performance. The Committee may award up to 12.5 percent of maximum for threshold performance.

Performance metric: The annual bonus will be based on achievement of stretching financial targets (e.g. revenue, cash, EBITDA) and personal performance. Personal performance will have a weighting of no more than a third.

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

Non-Executive Directors' Fees

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

Operation: Monthly invoiced fee for Chairman.

Monthly invoiced fees for Non-Executive Directors.

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

Non-Executive Directors do not participate in any bonus incentive schemes, nor do they receive any pension or benefits (other than nominal travel expenses).

Non-Executive Directors will participate in the Company's EMI and non-EMI share option schemes.

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

Further details are set out below.

Performance metrics: None.

Notes to the policy table

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

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

Non-Executive Directors

The appointments of each of the Chairman and the Non-Executive Directors are for a fixed term of 3 years, commencing on 1 December 2016 and subject to one third retirement by rotation and re election at the AGM. Their letters of appointment set out the terms of their appointment and are available for inspection upon request. They are not eligible to participate in the annual bonus scheme, nor do they receive any additional pension or expenses (other than nominal travel expenses) on top of the fees disclosed below. They do however have eligibility to participate in the Company's EMI and Non-EMI Share Issue Schemes. Non-Executive Directors appointment may be terminated at any time upon written notice or in accordance with the articles and receive no compensation on termination.

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

Executive Directors

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

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

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

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

Michael Tobin
Chairman of the Remuneration Committee
29 March 2017

Independent Auditor's Report

We have audited the financial statements of Satellite Solutions Worldwide Group plc for the year ended 30 November 2016 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity and the related notes. 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.

This report is made solely to the Company's members, as a body, in accordance with sections 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 23 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's and of the Parent Company's affairs as at 30 November 2016 and of the Group's loss for the period then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and as regards the Group Financial Statements, in accordance with Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements and the Strategic Report and Directors Report has been prepared in accordance with the applicable legal requirements. In light of our knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report and Directors Report..

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

Ian Cliffe (Senior Statutory Auditor)

For and on behalf of haysmacintyre
Statutory Auditors
26 Red Lion Square London, WC1R 4AG
29 March 2017

Consolidated Statement of Comprehensive Income

	Notes	Year ended 2016 £'000	Year ended 2015 £'000
Continuing operations			
Revenue	2	21,461	7,440
Cost of sales		(14,157)	(5,622)
Gross profit		7,304	1,818
Distribution expenses		(4,572)	(1,053)
Administrative expenses		(8,110)	(6,775)
Operating Loss		(5,378)	(6,010)
Operating Profit/(Loss) before non-cash items and acquisition costs		1,237	(770)
Depreciation	10	(930)	(53)
Amortisation	11	(2,995)	(200)
Fair value adjustment	3	(300)	-
Share based payments	21	(316)	(156)
Acquisition costs and fund raising fees	3	(2,074)	(4,831)
Operating Loss		(5,378)	(6,010)
Interest	7	(819)	(1)
Loss before tax	3	(6,197)	(6,011)
Taxation on continuing operations	8	161	-
Loss for the financial year		(6,036)	(6,011)
Other comprehensive income			
Foreign currency translation difference		(830)	178
Total comprehensive income for the year		(6,866)	(5,833)
Loss per share from continuing operations			
Basic and diluted	9	(1.57p)	(1.95p)

In accordance with section 408 of the Companies Act 2006 the parent company has not presented its own Income Statement, which resulted in a loss of £2,691k (2015: £1,464k)

The notes on pages 48 to 59 form an integral part of these financial statements

Consolidated Statement of Financial Position

	Notes	2016 £'000	2015 £'000
Assets			
Non-current assets			
Property, plant and equipment	10	4,933	271
Intangible assets	11	24,812	4,453
Investments	12	53	53
Deferred tax asset	8	622	-
Total non-current assets		30,420	4,777
Current assets			
Inventory	13	1,349	253
Trade and other receivables	14	5,792	1,205
Cash and cash equivalents		3,318	1,671
Total current assets		10,459	3,129
Total assets		40,879	7,906
Current liabilities			
Trade and other payables	15	(16,320)	(3,604)
Non-current liabilities			
Other payable	15	-	(1,582)
Deferred tax liability	8	(4,167)	(465)
Long term Liabilities	16	(12,728)	-
		(16,895)	(2,047)
Total liabilities		(33,215)	(5,651)
Net assets		**7,664**	**2,255**
Equity			
Share capital	17	5,362	3,081
Share premium	17	15,589	4,415
Share option reserve	18	464	148
Other Equity reserve	18	271	-
Foreign exchange translation reserve	18	(1,756)	11
Reverse acquisition reserve	18	(3,317)	(3,317)
Listing cost reserve	18	(219)	(219)
Merger relief reserve	18	4,471	4,471
Retained earnings		(13,201)	(6,335)
Total equity		**7,664**	**2,255**

Approved by the Board on 29 March 2017 and signed on its behalf by:

Andrew Walwyn
Chief Executive Officer

The notes on pages 48 to 59 form an integral part of these financial statements

Company Statement of Financial Position

	Notes	2016 £'000	2015 £'000
Assets			
Non-current assets			
Investments	12	5,625	5,625
		5,625	5,625
Current assets			
Trade and other receivables	14	28,335	4,808
Cash and cash equivalents		289	-
		28,624	4,808
Total assets		34,249	10,433
Current liabilities			
Trade and other payables	15	(738)	(1)
Non-current liabilities			
Long term Liabilities	16	(11,728)	-
		(17,240)	
Net assets		**21,783**	**10,432**
Equity			
Share capital	17	5,362	3,081
Share premium	17	15,589	4,415
Share option reserve	18	464	148
Other Equity reserve	18	271	-
Listing cost reserve	18	(219)	(219)
Merger relief reserve	18	4,471	4,471
Retained earnings		(4,155)	(1,464)
Total equity		**21,783**	**10,432**

Approved by the Board on 29 March 2017 and signed on its behalf by::

Andrew Walwyn
Chief Executive Officer

The notes on pages 48 to 59 form an integral part of these financial statements

Consolidated Statement of Cash Flows

	Notes	2016 £'000	2015 £'000
Loss from continuing operations		(6,036)	(6,011)
Loss for the year		(6,036)	(6,011)
Adjustments for:			
Interest		819	1
Amortisation and impairment of intangible assets		2,995	200
Depreciation of property, plant and equipment	10	930	53
Taxation		161	-
Share based payments		316	148
Listing costs		-	(219)
Foreign exchange variances		48	99
Increase in trade and other receivables		1,306	(10)
Increase in trade and other payables		126	1,112
Decrease in inventories		(25)	69
Cash inflow/(outflow) from operating activities		640	(4,558)
Interest paid		(819)	(1)
		(179)	(4,559)
Investing activities			
Purchase of property, plant and equipment	10	(1,481)	(66)
Purchase of intangibles		(262)	(2,329)
Adjustment on acquisition		-	2,261
Purchase of investments		(20,083)	(53)
Cash within subsidiaries acquired		552	-
Loans within subsidiaries acquired		(1,000)	-
Net cash used in investing activities		(22,274)	(187)
Financing activities			
Proceeds from issue of ordinary share capital (net)		12,100	6,342
Proceeds from unsecured loans		12,000	-
Net cash generated from financing activities		24,100	6,342
Net increase in cash and cash equivalents		1,647	1,596
Cash and cash equivalents at beginning of year		1,671	75
Cash and cash equivalents at end of year		3,318	1,671

The notes on pages 48 to 59 form an integral part of these financial statements

Company Statement of Cash Flows

	Note	2016 £'000	2015 £'000
Loss from continuing operations		(2,691)	(1,464)
Share based payments		316	148
Listing costs		-	(219)
Interest		802	
Increase in creditors		7,315	
(Decrease) / Increase in debtors		(5,302)	1
Cash flows from operating activities		440	(1,534)
Financing activities			
Proceeds from issue of ordinary share capital (net)		12,100	6,342
Interest paid		(802)	-
Increase in trade and other receivables		(23,449)	(4,808)
Proceeds from unsecured loans		12,000	-
Net cash generated from financing activities		**(151)**	**1,534**
Net cash generated from continuing activities		289	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		**289**	**-**

The notes on pages 48 to 59 form an integral part of these financial statements

Consolidated Statement of Changes in Equity

	Note	Share Capital £'000	Share Premium £'000	Share Option Reserve £'000	Retained Earnings £'000	Other Equity Reserve £'000	Foreign Exchange Reserve £'000	Reverse Acquisition Reserve £'000	Listing Cost Reserve £'000	Merger Relief Reserve £'000	Total Equity £'000
At 1 December 2014		-	-	-	(502)	-	-	-	-	-	(502)
Loss for the period		-	-	-	(6,011)	-	-	-	-	-	(6,011)
Acquisition of subsidiary		-	-	-	-	-	-	(3,317)	(219)	-	(3,536)
Issue of shares	17	3,081	4,415	-	-	-	-	-	-	4,471	11,967
Equity-settled share-based payments	21	-	-	148	-	-	-	-	-	-	148
Other Comprehensive Income		-	-	-	178	-	11	-	-	-	189
At 1 December 2015		**3,081**	**4,415**	**148**	**(6,335)**	**-**	**11**	**(3,317)**	**(219)**	**4,471**	**2,255**
Loss for the year		-	-	-	(6,036)	-	-	-	-	-	(6,036)
Issue of shares	17	2,281	11,174	-	-	-	-	-	-	-	13,455
Equity settled share based payments	21	-	-	316	-	-	-	-	-	-	316
Equity component of loan		-	-	-	-	271	-	-	-	-	271
Other comprehensive income		-	-	-	(830)	-	(1,767)	-	-	-	(2,597)
At 30 November 2016		**5,362**	**15,589**	**464**	**(13,201)**	**271**	**(1,756)**	**(3,317)**	**(219)**	**4,471**	**7,664**

The notes on pages 48 to 59 form an integral part of these financial statements

Company Statement of Changes in Equity

	Note	Share Capital £'000	Share Premium £'000	Share Option £'000	Listing Reserve £'000	Other Equity Reserve £'000	Merger Relief Reserve £'000	Retained Earnings £'000	Total Equity £'000
At start of the period		-	-	-	-	-	-	-	-
Loss for the period		-	-	-	-	-	-	(1,464)	(1,464)
Acquisition of subsidiary		-	-	-	(219)	-	-	-	(219)
Issue of shares	17	3,081	4,415	-	-	-	4,471	-	11,967
Equity-settled share-based payments	21	-	-	148	-	-	-	-	148
At 1 December 2015		**3,081**	**4,415**	**148**	**(219)**	**-**	**4,471**	**(1,464)**	**10,432**
Loss for the year		-	-	-	-	-	-	(2,691)	(2,691)
Issue of shares	17	2,281	11,174	-	-	-	-	-	13,455
Equity component of loan		-	-	-	-	271	-	-	271
Equity-settled share -									
based payments	21	-	-	316	-	-	-	-	316
At 30 November 2016		**5,362**	**15,589**	**464**	**(219)**	**271**	**4,471**	**(4,155)**	**21,783**

The notes on pages 48 to 59 form an integral part of these financial statements

Notes to the Financial Statements

1. Accounting Policies

General information and basis of preparation

Satellite Solutions Worldwide Group plc is a public limited company, incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is 108 Churchill Road, Bicester, Oxfordshire, England OX26 4XD. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The financial statements of Satellite Solutions Worldwide Group plc for the year ended 30 November 2016 were authorised for issue by the Board on 29 March 2017 and the balance sheets signed on the Board's behalf by Andrew Walwyn.

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

The Company prepares its consolidated financial statements in accordance with International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments.

The consolidated financial statements are for the 12 months to 30 November 2016. This review covers the consolidated results of Satellite Solutions Worldwide Group plc and its subsidiary undertakings from the date of acquisition.

During the year ended 30 November 2015 year Satellite Solutions Worldwide Group plc (formerly Cleeve Capital plc) completed the acquisition of Satellite Solutions Worldwide Limited. The directors determined that the transaction was akin to a reverse acquisition as per IFRS 3, Business Combinations. However, in order to fall under the category of a Business Combination under IFRS3, the purchase needs to be of a business. The directors determined that Satellite Solutions Worldwide Group plc did not constitute a business. Therefore the transaction did not appear to fall under the scope of IFRS3.

In the absence of a Standard that specifically applies to this transaction the Interpretations Committee observed in their IFRIC of March 2013 that such transactions have some features of a reverse acquisition under IFRS 3. Consequently, it was appropriate to apply by analogy, in accordance with paragraphs 10–12 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the guidance in paragraphs B19–B27 of IFRS 3 for reverse acquisitions. Application of the reverse acquisitions guidance by analogy results in the non-listed operating entity being identified as the accounting acquirer, and the listed non-operating entity being identified as the accounting acquire. The Interpretations Committee noted that in applying the reverse acquisition guidance in paragraph B20 of IFRS 3 by analogy, the accounting acquirer is deemed to have issued shares to obtain control of the acquiree. Therefore for accounting purposes Satellite Solutions Worldwide Limited accounted as if it purchased Satellite Solutions Worldwide Group plc (formerly Cleeve Capital plc). However, as no business has been acquired, any difference between the fair value of the assets acquired and the fair value of the shares issued was not recognised as goodwill, but was written off to the income statement, in accordance with IFRS 3.

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

Standards issued and applied for the first time in 2016

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

- Amendments to IFRS 10, IFRS 12 and IAS 28 in respect of the application of the consolidation exemption to investment entities which will be effective for accounting years beginning on or after 1 January 2016
- Amendments to IAS 16 and IAS 38 in respect of Clarification of Acceptable Methods of Depreciation and Amortisation which will be effective for accounting years beginning on or after 1 January 2016.
- IFRS 9 in respect of Financial Instruments which will be effective for the accounting years beginning on or after 1 January 2018.
- Amendments to IAS 1 in respect of determining what information to disclose in annual financial statements which will be effective for accounting years beginning on or after 1 January 2016.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 17. The financial position of the Company, its cash flows and liquidity position are described in the Finance Review on page 10 to 15. In addition note 22 to the financial statement includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and its exposures to credit risk and liquidity risk.

The financial statements at 30 November 2016 show that the Company generated an operating profit before share based payments, depreciation, intangible amortisation, acquisition costs and fundraising fees of £1.23m (2015: loss £0.77m), and with cash generated in operating activities of £0.6m (2015: outflow of £4.6m) and a net increase in cash and cash equivalents of £1.6m in the year (2015: increase £1.6m). The Company balance sheet showed net cash at 30 November 2016 of £3.3m (2015: £1.7m).

Post year end in March 2017, the Company entered into a revolving credit facility with HSBC. This facility was used, in part, to fund the acquisitions of NextNet and ASDN in Norway and BorderNET in Australia as well as replace more expensive Nordea debt HSBC continues to be supportive of the business and for that we are grateful. The consolidated financial statements for the Company have been prepared on a going-concern basis.

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

The Board has concluded that no matters have come to its attention which suggest that the Company will not be able to maintain its current terms of trade with customers and suppliers or indeed that it could not adopt relevant measures to reduce costs and free cash flow. The forecasts for the combined Company up to 31 May 2018, as extended as part of HSBC approval process, including due consideration of the continued operating losses of the Company, and projections, taking account of reasonably possible changes in trading performance, indicate that the Company has sufficient cash available to continue in operational existence throughout the forecast year and beyond. The Board has considered various alternative operating strategies should these be necessary and are satisfied that revised operating strategies could be adopted if and when necessary. As a consequence, the Board believes that the Company is well placed to manage its business risks, and longer term strategic objectives, successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue

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

The principles in IFRS 15 were applied using the following five steps:

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

Revenue for equipment sales is recognised upon settlement of invoice by the customer, at this point the performance obligation has been settled.

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

Foreign currency

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

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

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

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

Property, plant and equipment

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

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

Fixtures and fittings	25% on cost
IT hardware and software	25% on cost
Motor vehicles	25% on cost
Stock	25% on cost
Rental Stock	25% on cost

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

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

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

Goodwill

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

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets acquired separately

Intangible assets acquired separately are shown at historical cost less accumulated amortisation and impairment losses.

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

- Customer Contracts – 2 years
- Domain names – 10 years
- Software – 3 years

Intangible assets recognised in a business combination

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

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

- Customer Contracts – 2 years

Investments

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

Inventories

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

Trade and Other Receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Trade and other receivables are measured at amortised cost less impairment losses. The collectability of debt is assessed at the reporting date and a specific provision is made for any doubtful debts.

Cash and cash equivalents

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

Trade and Other Payables

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

Impairment of Non-Financial Assets

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

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

Financial Instruments

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

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

Equity Instruments

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

Business Growth Fund Convertible Loan

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

Leases

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

Corporation Tax and Other Taxes

Corporation tax is accounted for using the taxes payable method. The corporation tax expense recorded in the Statement of Comprehensive Income for the year represents the corporation tax payable for the year.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and;

In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

Corporation Tax and Other Taxes

When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and,

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

Employee Entitlements

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

Critical accounting judgements and key areas of estimation uncertainty

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

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

(b) Recognition of deferred tax assets
The recognition of deferred tax assets is based upon whether it is more likely than not that there will be sufficient and suitable profits against which to utilise the asset in future. This is based on review of the latest profit forecasts.

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

(d) Acquisition accounting
The Company underwent a significant transaction in the previous year, whereby Satellite Solutions Worldwide Group plc (formerly Cleeve Capital plc) purchased the entire share capital of Satellite Solutions Worldwide Limited. The transaction was accounted for as a reverse acquisition. It is noted that the decision to account for the transaction as a reverse acquisition, as opposed to a standard acquisition under IFRS3, was a significant accounting judgement.

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

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

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

(g) Intangible assets
The Company values intangible assets based on the following:

- Intellectual property based on 5% of the purchase price
- Customer contracts have been valued by taking an average length of contract multiplied by an average margin per month. A discount rate has been applied to the calculated value to reflect customer churn and doubtful debts. The margin and applied discount will vary dependant on the customer base which factors in location, economy and history of the previous business.The contract value will be reviewed annually for impairment.

2. Revenue

	2016 £'000	2015 £'000
Recurring revenue- airtime	18,110	5,675
Recurring revenue – other	2,212	1,440
Other Non recurring revenue	1,139	325
	21,461	7,440

Geographical information

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

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

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

	External revenue by location of customer		Non-Current assets by location of assets	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
United Kingdom	7,103	4,169	11,847	234
Europe	5,630	3,268	12,809	4,543
Rest of World	8,728	3	6,045	-
	21,461	7,440	30,701	4,777

3. Loss Before Tax

The loss before tax has been arrived at after charging the following:	2016 £'000	2015 £'000
Depreciation – owned assets (Note 10)	930	53
Amortisation of intangible assets (Note 11)	2,995	200
Operating lease payments (Note 19)	462	480
Share based payments (Note 21)	316	156
Staff costs (Note 5)	3,669	1,524

Acquisition costs comprise		
Adjustment on acquisition of SSW	-	2,261
Provision for potential legal costs	300	-
Fund raising and listing related costs (a)	1,206	1,377
Acquisition costs associated with subsidiaries/ customer databases (b)	868	520
Fee shares (c)	-	673

(a) These relate to fund raising related costs and lisitng fees (2015 only)

(b) Specific costs associated / related to acquisitions made during year

(c) Fee shares issued to advisors on the listing and fundraising

4. Auditor's Remuneration

	2016 £'000	2015 £'000
Audit services		
Fees payable to the company's auditor for the audit of the company's annual accounts	7	5
Fees payable to the company's auditor for other services:		
Audit of the accounts of subsidiaries	42	19
Tax compliance services	-	3
Corporate finance services	-	108
	49	135

5. Employee Benefit Expenses

	2016 £'000	2015 £'000
The aggregate remuneration of all employees (including directors) comprised:		
Wages and salaries	3,263	1,372
Social security costs	406	152
	3,669	1,524

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

	Number	Number
Operating staff	68	26
Management and administrative staff	46	15
	114	41

6. Director's Remuneration

	2016 £'000	2015 £'000
Salaries	480	218
Fees	96	60
Benefits	31	14
	607	292

The highest paid director's aggregate remuneration was £233k (2015: £125k)

Details of directors' remuneration are set out in the Corporate Governance Statement on page 24.

7. Interest – Group

	2016 £'000	2015 £'000
Unsecured loan interest payable	819	-
Bank interest payable	-	1
	819	1

Interest payable is on the new debt from BGF at a rate of 10% per annum plus expensing the Redemption Premium plus Nordea debt taken on following the purchase of Breiband.

8. Taxation

	2016 £'000	2015 £'000
(a) Tax credit for the year		
UK Corporation tax	-	-
Overseas corporation tax	23	-
Deferred tax credit	(184)	-
Current tax credit	(161)	-

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

	2016 £'000	2015 £'000
Loss on ordinary activities before tax	(6,197)	(6,011)
Tax at UK corporation tax rate of 20% (2015: 20.45%)	(1,239)	(1,229)
Tax effect of expenses that are not deductible in determining taxable profit	956	805
Income tax rates differences between countries	15	-
Foreign tax losses not taxed in the UK	-	56
Deferred tax not recognised	107	368
Tax credit at effective tax rate for the year	(161)	-

(c) Factors which may affect future tax charges
As at the year end, the Company had accumulated losses of £2,695k (2015 - £2,409k) available for carry forward against future trading profits.

(d) Deferred Tax – Group
The deferred tax included in the balance sheet is as follows:

	2016 £'000	2015 £'000
Deferred tax asset	622	-
Deferred tax liability	(4,167)	(465)
	(3,545	(465)

9. Loss Per Share

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

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

Reconciliation of the loss and weighted average number of shares used in the calculation are set out oposite.

30 November 2016	Loss £'000	Weighted Average Number of Shares '000	Per share amount Pence
Basic and diluted EPS			
Loss attributable to shareholders:			
- Continuing operations	(6,036)	384,156,094	(1.57)

30 November 2015	Loss £'000	Weighted Average Number of Shares '000	Per share amount Pence
Basic and diluted EPS			
Loss attributable to shareholders:			
- Continuing operations	(6,011)	308,146282	(1.95)

10. Property, Plant And Equipment – Group

Cost	**Fixtures & Fittings £'000**	**IT Hardware & Software £'000**	**Motor Vehicles £'000**	**Rental Stock £'000**	**Total £'000**
At 1 December 2014	11	27	2	-	40
Additions	2	49	12	2	65
Acquired through business combinations	39	158	57	141	395
At 30 November 2015	52	234	71	143	500
Additions	650	144		687	1,481
Disposals	-	-	(7)	-	(7)
Acquired through business combinations	3,360	830	-	24	4,214
At 30 November 2016	4,062	1,208	64	854	6,188
Accumulated Depreciation					
At 1 December 2014	7	13	2	-	22
Deprecation charge	5	33	9	6	53
Acquired through business combinations	16	95	26	17	154
At 30 November 2015	28	141	37	23	229
Depreciation on Acquisition	30	56	-	17	103
Depreciation charge	605	214	9	102	930
Disposals	-	-	(7)	-	(7)
At 30 November 2016	663	411	39	142	1255
Net book value					
At 30 November 2016	3,399	797	25	712	4,933
At 30 November 2015	24	93	34	120	271

11. Intangible Assets – Group

	Goodwill £'000	Customer Contracts £'000	Total £'000
Cost			
At 1 December 2014	2	-	2
Additions	2,315	2,337	4,652
At 30 November 2015	2,317	2,337	4,654
Additions (A)	10,986	12,368	23,354
At 30 November 2016	13,303	14,705	28,008
Accumulated Amortisation			
At 1 December 2014	1	-	1
Amortisation	-	200	200
At 30 November 2015	1	200	201
Amortisation	-	2,995	2,995
At 30 November 2016	1	3,195	3,196
Net book value			
At 30 November 2016	13,302	11,510	24,812
At 30 November 2015	2,316	2,137	4,453

A. Additions

(1) Viveole

On the 1 October 2016, Europasat France SAS, a wholly owned subsidiary of Satellite Solutions Worldwide Limited, acquired certain of the assets of Viveole. The book value at acquisition, which is equivalent to fair value of the assets, was as follows:

	Fair value £'000
Intangible Assets	205
Goodwill	572
Deferred Tax	(41)
Total consideration	736
Satisfied by:	
Cash	636
Deferred consideration	100
	736

(2) IDHD

On 1 April 2016, Europasat France SAS, a wholly owned subsidiary of Satellite Solutions Worldwide Limited, acquired certain assets of IDHD. The book value at acquisition, which is equivalent to fair value of the assets, was as follows:

	Fair value £'000
Intangible assets	122
Goodwill	34
Deferred tax	(24)
Total consideration	132
Satisfied by:	
Cash	132

(3) Avonline Satellite Services Limited

On 7 July 2016 Avonline Satellite Services Holdings Limited, a wholly owned subsidiary of Satellite Solutions Worldwide Limited, acquired certain of the assets of Avonline Satellite Services Limited. The book value at acquisition, as well as the fair value of the assets, was as follows:

	Book Value £'000	Fair value £'000
Fixed assets	979	779
Intangible assets	5,300	5,300
Current assets - other	200	200
Trade & other liabilities	(1,094)	(1,094)
Deferred tax	(1,060)	(1,060)
Goodwill arising	5,675	5,875
Total consideration	10,000	10,000
Satisfied by:		
Cash		9,500
Deferred consideration		500
		10,000

(4) Breiband

On 29 July 2016 Satellite Solutions Worldwide Limited acquired the assets of Breiband.no AS. The book value at acquisition, which is equivalent to fair value of the assets, was as follows:

	Fair value £'000
Fixed assets	3,332
Intangible assets	3,494
Current assets - stock	1,036
Current assets - cash	127
Current assets - other	535
Trade & other liabilities	(2,296)
Borrowings	(1,000)
Deferred tax	(699)
Goodwill	1,977
Total consideration	6,506
Satisfied by:	
Cash	5,962
Deferred consideration	544
	6,506

(5) Skymesh

On 29 July 2016 Skymesh PTY Ltd, a wholly owned subsidiary of Satellite Solutions Worldwide Limited, acquired certain of the assets of Skymesh. The book value at acquisition, which is equivalent to fair value of the assets, was as follows:

	Fair value £'000
Intangible assets	3,247
Current assets – stock	34
Current assets - cash	425
Current assets - other	348
Current liabilities - other	(795)
Deferred tax	(649)
Goodwill	2,528
Total consideration	5,138
Satisfied by:	
Cash	4,621
Deferred consideration	517
	5,138

(6) Goodwill arising on acquisition

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

	Viveole £'000	IDHD £'000	Avonline £'000	Breiband £'000	Skymesh £'000	Total £'000
Consideration	736	132	10,000	6,506	5,138	22,512
Fair value of assets & liabilities acquired	164	98	4,125	4,529	2,610	11,526
Goodwill	572	34	5,875	1,977	2,528	10,986

The above consideration includes deferred consideration of £1,661k

(7) Revenue and Profits from acquisitions in the period

Revenue and profit after tax included in the Consolidated Statements of Comprehensive Income for the year ended 30 November 2016, from the acquisitions in the period are as follows:

	Viveole £'000	IDHD £'000	Avonline £'000	Breiband £'000	Skymesh £'000	Total £'000
Revenue	123	111	2,489	2,611	3,628	8,962
Profit after tax	27	30	613	190	74	934

12. Investments

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Subsidiaries (Note 12A)	-	-	5,625	5,625
Other	53	53	-	-
	53	53	5,625	5,625

A. Subsidiary Undertakings

All companies are owned by Satellite Solutions Worldwide Limited with the exception of Satellite Solutions Worldwide Limited which is owned by Satellite Solutions Worldwide Group Plc. Satellite Solutions Worldwide Group plc holds more than 20% of the share capital of the following companies:

	Country of Incorporation	Class of Shares	Parent company	No. of shares	% held by parent
Satellite Solutions Worldwide Limited	England and Wales	Ordinary	Satellite Solutions Worldwide Group Plc	20,266 of £0.01 each	100
Europasat Satellite (Ireland) Limited	Ireland	Ordinary	Satellite Solutions Worldwide Limited	100 of €1 each	100
Europasat (France) SAS	France	Ordinary	Satellite Solutions Worldwide Limited	5,000 of €1 each	100
Europasat Sp Z.o.o.	Poland	Ordinary	Satellite Solutions Worldwide Limited	100 of PLN0.02 each	100
Avonline Satellite Services Holding Ltd	England and Wales	Ordinary	Satellite Solutions Worldwide Limited	50,000 of £1.60 each 50,000 of £1 each 50,000 of £18.80 each	100
Avonline Satellite Services Ltd	England and Wales	Ordinary	Avonline Satellite Services Holding Ltd	2 of £1	100
Viveole	France	Ordinary	Satellite Solutions Worldwide Limited	-	100
Brieband.no AS	Norway	Ordinary	Satellite Solutions Worldwide Limited	1,700,412 of 1.40Nok	100
SkyMesh Pty Ltd	Australia	Ordinary	Satellite Solutions Worldwide Limited	20,898,680 of £0.196	100

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

13. Inventory

	2016 £'000	2015 £'000
Group		
Finished goods	1,349	253

14. Trade and Other Receivables

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Amounts receivable	2,595	906	-	-
Other receivables	3,002	182	40	-
Prepayments and accrued income	195	117	38	-
Amounts due from group undertakings	-	-	28,257	4,808
	5,792	1,205	28,335	4,808

Movement in provision for impairment of receivable

	Individually Impaired £'000	Total £'000
As at 1 December 2015	341	341
Charge for year	87	87
Utilised	(6)	(6)
As at 30 November 2016	422	422

The average credit days taken on sales of goods and services is 30 days (2015: 39 days). No interest is charged on receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience and likelihood of recovery as assessed by the directors.

Included in the Group's trade receivable balance are debtors with a carrying amount of £480k (2015: £180k) which are past due at the reporting date. The directors consider that the carrying amount of trade receivables approximates to their fair value.

	Individually Impaired 2016 £'000	Individually Impaired 2015 £'000
Amounts receivable ageing:		
Current	1,188	447
30-60 days	534	147
60-90 days	178	52
90-120 days	191	249
>120 days	504	11
As at 30 November 2016	2,595	906

15. Trade and Other Payables

	Group		Company	
(A) Current	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Trade payables	5,654	1,324	265	1
Other taxes and social security	1,211	497	-	-
Accruals	3,364	1,783	473	-
Bank loans	489	-	-	-
Other payables	5,602	-	-	-
	16,320	3,604	738	1
(B) Non current				
Other payable	-	1,582	-	-
	-	1,582		

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average creditors days taken for trade purchases is 83 days (2015: 87 days). The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The directors consider that the carrying amount of trade payables approximates to their fair value.

16. Non-Current Liabilities: Loans

	Group		Company	
Non-current liabilities	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Unsecured Loan	11,728	-	11,728	-
Bank Loan	1,000	-	-	-
	12,728	-	11,728	-

The unsecured loan of £11.7m is subordinated and unsecured, and repayable in May 2024. Interest is charged quarterly at a rate of 10% pa. Security for £1m bank loan with Breiband is currently by guarantee from previous owners.

Business Growth Fund ('BGF') loan and equity warrants.

A fully subordinated £12m 2024 unsecured loan note facility and associated equity warrants (the 'BGF loan and option') were received from BGF. These instruments are accounted for using split accounting which involves first determining the carrying amount of the debt component. This is done by measuring the net present value of the discounted cash flows of interest and capital repayments, ignoring the possibility of exercise of the equity warrants. The discount rate is the market rate at the time of inception for a similar liability that does not have an associated equity instrument. On this basis the debt component, held within 'other non-current liabilities', had a fair value as at 30 November 2016 of £11.7m, and the equity component, held within 'other equity reserves', a fair value of £0.3m. As at 30 November 2016, the fair value of the debt component had increased due to the unwinding of the interest rate discount over time, with a £326,000 charge going to finance costs in the income statement. This charge is split £146,000 within underlying interest charges and £180,000 within non-underlying finance costs, the latter amount being the additional annual charge associated with the redemption premium.

17. Share Capital

	Shares No.	Capital £	Premium £
Satellite Solutions Worldwide Group Plc			
At 30 November 2015	308,146,282	3,081,462	4,414,159
Shares issued in the year			
Shares issued at 1p each	228,029,437	2,280,295	11,174,476
At 30 November 2016	536,175,719	5,361,757	15,588,635

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

18. Other Capital Reserves – Group

Listing cost reserve

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

Reserve acquisition reserve

The reverse acquisition reserve relates to the reverse acquisition of Satellite Solutions Worldwide Limited by Satellite Solutions Worldwide Group plc on 12 May 2016.

Foreign exchange translation reserve

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

Share option reserve

The share option reserve is used for the issue of share options during the year.

Merger relief reserve

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

Other Equity Reserve

Other Equity related to the element of the BGF Convertible Loan in note 16.

Share Premium

Share premium represents the excess consideration over nominal value net of issue costs.

19. Operating Lease Arrangements

The Group as lessee	**2016 £'000**	**2015 £'000**
Minimum lease payments under operating leases recognised as an expense in the year	462	480

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

	2016 £'000	**2015 £'000**
Within one year	367	161
Within 2–5 years	642	1,193
	1,009	1,354

20. Related Party Transactions

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

Remuneration of key management personnel

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

	2016 £'000	**2015 £'000**
Short- term employment benefits	607	292

21. Share-Based Payments

Share Options

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

	2016		**2015**	
	Number of Share Options	**Weighted Average Exercise price**	**Number of Share Options**	**Weighted Average Exercise price**
Outstanding at beginning of year	6,832,210	1.975p	-	-
Cancelled during the year	(284,676)	1.975p		
Granted during the year	20,881,097	5.540p	6,832,210	1.975p
Outstanding at end of year	27,428,631	4.660p	6,832,210	
Exercisable at end of year	10,643,307	3.150p	6,832,210	

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

	2016	**2015**
Weighted average share price	5.42p	4.5p
Weighted average exercise price	4.66p	1.975p
Expected volatility	50%	50%
Expected life	3	5
Risk-free rate	5%	5%

Warrants

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

	2016		2015	
	Number of Warrants	Weighted Average Exercise price	Number of Warrants	Weighted Average Exercise price
Outstanding at beginning of year			-	
Granted during the year	1,626,963	1.000p	1,626,963	1.00p
Outstanding at end of year	1,626,963		1,626,963	
Exercisable at end of year	1,626,963		1,626,963	

The warrants outstanding at 30 November 2016 had a weighted average exercise price of 1.00p, and a weighted average remaining contractual life of 3 years. The inputs into the Black-Scholes model are as follows:

	2016	2015
Weighted average share price	4.5p	4.5p
Weighted average exercise price	1p	1p
Expected volatility	50%	50%
Expected life	3	3
Risk-free rate	5%	5%

Expected volatility was determined by assessing the movements of the share price since the readmission in May 2016. The group recognised total expenses of £316k (2015: £156k) related to equity-settled share-based payment transactions as follows:

	2016 £'000	2015 £'000
Share option charge	316	89
Warrants charge	-	59
	316	148
Equity-settled shares	-	8
	316	156

Equity-settled shares in 2015 relate to annual director fees. Due to the timing of the issue of shares as compared to the year of service the actual shares issued in the year do not equate to the charge taken in the accounts, with some amounts being accrued as shares to be issued and some amounts prepaid for future director services.

22. Financial Risk Management

Capital risk management

The Company manages its capital to ensure that entities in the Company will be able to meet their financial obligations as they arise while maximising the return to stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 17 to 18. The Company raised £12.1m cash (gross) in August 2016 through an institutional equity placing and a further £12m in unsubordinated debt from BGF to fund acquisitions. The Company utilised the majority of these funds to invest in future growth by acquiring a number of companies and businesses. The business also has a loan associated with the acquisition of Breiband.

Categories of financial instruments

	2016 £'000	2015 £'000
Financial assets		
Cash and cash equivalents	3,318	1,671
Trade and other receivables	6,439	1,088
Financial liabilities at amortised cost		
Trade payables	9,942	3,604
Other payables	10,257	1,582
Loans	12,729	465

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

Financial and market risk management objectives

It is, and has been throughout the year under review, the Company's policy not to use or trade in derivative financial instruments. The Company's financial instruments comprise its cash and cash equivalents and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of the financial assets and liabilities is to provide finance for the Company's operations in the year.

Currency risk management

The Company has limited exposure to foreign currency risk; thus the main risks arising from the Company's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing these risks and they are summarised below. These policies have remained unchanged throughout the year under review.

Interest rate risk management

The Company's policy is to ensure that it maximises the interest income on surplus cash. This involves placing cash in a mix of fixed rate and floating rate short-term deposits. There is no prescribed ratio of fixed to floating rate.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance sheet date. For floating rate cash deposits, the analysis is prepared using the average of the amount of cash at each month-end throughout the year.

The Company's sensitivity to interest rates has increased during the current year mainly due to the increase in the cash balance.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities after assessing credit quality using independent rating agencies and if not available, the Company uses other publicly available financial information and its own trading records to rate its major customers. The Company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. The credit risk on liquid funds is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, which is net impairment losses, represents the Company's maximum exposure to credit risk.

Liquidity risk management

The Company's policy throughout the year has been to ensure continuity of funds. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

All financial liabilities are non-interest bearing and fall due within one month.

Fair value of financial instruments

The fair value of other non-derivative financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

Satellite Solutions Worldwide.

Satellite House
108 Churchill Road
Bicester
Oxon OX26 4XD
United Kingdom

Tel: +44 (0)1869 222 900
Fax: +44 (0)1869 722 799

www.satellitesolutionsworldwide.com