RURAL BROADBAND SOLUTIONS PLC (FORMERLY KNOWN AS SAPO PLC)

Annual Report and Financial Statements

Year ended 31 December 2020

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Directors and Advisers

Directors	Keith Harris (Executive Chairman) Selwyn Lewis (Non-executive Director) Michael Langoulant (Non-executive Director) Christopher Stone (Non-executive Director) all of the registered office below
Registered Office	Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Administrator and Registrar	Mainstream Fund Services (IOM) Limited Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Aquis Exchange Corporate Adviser	Alfred Henry Corporate Finance Limited Finsgate 5-7 Cranwood Street London EC1V 9EE
Auditor	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE

Chairman's Statement

Recent Corporate Progress

In October 2020, we concluded the acquisition, associated equity fund raising and re-admission of our stock exchange listing (on AQSE). These inter-connected corporate moves transformed SAPO into an operating company with the strategic objective of becoming a major presence in the provision of broadband services to rural areas in the UK. We re-named the company Rural Broadband Solutions PLC (RBBS).

Through that reverse acquisition we absorbed SWS, an existing and leading force in that market in the Shropshire region of England, west of Birmingham. SWS had been operating for over a decade and had grown steadily and prudently, with virtually no loss of customers and improving financial metrics.

Some Key Numbers

The results include two months of operational results with revenues of £128k resulting in an operating loss of £648k (before amortisation) which includes a full year of PLC expenses of £235k as well as listing and acquisition (of SWS) costs of £415k. Cash balances were up by £0.66m to £0.79m benefitting from the £2.5m raised on the admission of the enlarged Company (less the cash consideration of the acquisition of £1.239m). Fixed assets were up by £0.6k to £0.6k as a result of the acquisition of SWS. It is also worth noting that although the accounts only show 2 months' worth of SWS trading, SWS's revenue for the whole of 2020 was £761k (£730k for 2019). As the revenue is recurring and as customer churn is very low, revenue is continuing to grow from the existing network and the number of monthly fee-paying clients is now 2,571 (up from 2,348 as at the 31st December) this would give a current annual run rate of circa £820k of predominantly subscription revenues. This growth does not include the growth that will be generated as a result of the Project Gigabit Opportunity and the Fibre to the Premise (FTTP) solution for small towns.

The Effects of the Pandemic

At the time of writing we have therefore existed as an operating public company for a little over six months. The acquisition of SWS was negotiated and funded whilst the UK was entering the first phase of the Covid-19 pandemic. The pandemic changed, perhaps forever, the living, studying and working environment for every family throughout the UK. Virtually overnight, 'Working at Home' became a necessity and a reality. Remote working was bolstered by the move from metropolitan life to rural are-as for some families. As a result, the business opportunity presented by mastering and further devel-oping rural broadband coverage, already identified by SWS, became a starkly apparent "must have". For many it became an essential tool not only to provide effective communication but also for every day existence. It is surprising to note that 80% of the UK is officially classified as "rural". Such areas accommodate 20% of the population or approximately 12 million people which demonstrates the cur-rent size of the opportunity.

Growth of the Business

In the Chairman's Statement in last year's Annual Report and Accounts of SAPO, I made reference to our wish to "take full advantage of the promise presented" by increasing demand for better broad-band services in the UK and in rural areas in particular, and I stated that "we will be pushing forward to deliver the implementation of our growth strategy". Since October of last year, this is what we have been doing although the Company's ambition has now grown to reflect the much larger market opportunity that now prevails.

During that time, we have concentrated on preparing the foundations for business growth by enlarging the management team and the premises required to operate a substantially bigger operating entity. This programme of strategic hires has now been completed. We have also been deploying the proceeds from our newly raised equity capital, (as stated above) not only to continue to grow our core customer base, which is described in more detail below, but also to plan a much more aggressive expansion into the rural broadband market.

Chairman's Statement (continued)

Growth of the Business (continued)
In the equity fund raising described above, we welcomed to our company as owners, an array of new shareholders, including the vendor of SWS. The financial results reported in previous pages of the Re-port reflect the costs of the process of acquisition and re-listing and the implementation of the infra-structure and foundations of our operating business. The attraction of acquiring SWS was influenced by the opportunity to work with its founder, a leading rural broadband service practitioner. Chris New, as noted, became a shareholder in RBBS and has become our Chief Strategist and Technical Officer. He has an enviable track record in the field of Fixed Wireless transmission of broadband services in rural territories. From that base, we are concentrating on growing the size and scope of our business in Shropshire for the benefit of our shareholders and the satisfaction of our customers and will be looking to take our trading model into other rural areas of the UK.

Our original business plan sought to double our customer base to 5,000 within three years. We have already been able to extend the penetration of our core territory in Shropshire by increasing the number of recurring Fixed Wireless Access (FWA) customers in the past six-month period from 2,300 to 2,571, and that rate of growth is increasing. On average, we are installing services into 10 new customers per week. We anticipate that this rate of growth will increase further as our Gigabit enabled service is rolled out.

The Project Gigabit Opportunity
In the light of the strengthening demand for better quality broadband in rural areas of the UK, we have increased our ambitions for anticipated penetration of the market. In the middle of March 2021, Building Digital UK (BDUK), which is part of the Department of Culture, Media and Sport, (DCMS), re-launched its rural gigabit-capable funding scheme under the new brand, 'Project Gigabit'. It continues to pledge £5 billion, with an initial £1.2 billion being released over the next four years, of which £210 million is allocated to the consumer driven voucher scheme.

The scheme enables community groups to access up to £1,500 per domestic household and £3,500 per business. The scheme is only available to registered Communication Providers who can implement solutions through the redemption of the voucher funding. SWS is appropriately registered to be able to take advantage of this opportunity. Shropshire has provided an additional boost by registering under the Gigabit scheme to provide top ups to the basic national voucher value; this brings the fund up to a value of £4,000 per domestic household and £7,000 per business which lie within the county boundary. It is therefore hoped that most of our capital spend will be reclaimed under this scheme.

As noted, we have already increased our recurring FWA customer base to 2,571. We have delayed the start of gigabit-capable implementation due to the need to register with the new voucher scheme and the evolving plan to add a 'Fibre to the Premise' (FTTP) solution to our hybrid product range. We are continuing to receive interest for gigabit-capable connections and have gained 1,652 expressions of interest for voucher funding. Of these, 256 have been attributed to village projects already identified as feasible. 69 vouchers have been registered for funding in two projects, ring fencing an initial £190,680. We are aiming to register a further 25 'gigabit village' projects in the coming months, with a view to converting 248 existing customers from FWA to gigabit-capable and a potential 2,659 additional customers not currently being served. This would take us to our initial target of 5,000 monthly paying customers within the published timescale.

Through the process of sourcing higher bandwidth capacity within our gigabit-capable network, we have identified a larger customer base opportunity which can be developed in parallel with, and in addition to, the original 5,000 properties initially targeted. We estimate that this population coverage will also be achieved within three years. We have identified 20 new 'gigabit town' projects within the Shropshire area, consisting of over 2,000 business and 42,000 domestic properties. With the emergence of this new opportunity, we are now in the process of identifying other areas in the UK into which we can implement this scalable model. In order to be able to meet this expanded project target, we have partnered with a national engineering and fibre installation company, with a 30 year track record and more than 1,000 skilled engineers. This will allow us to target more areas simultaneously without the need to carry a large engineering overhead.

Fibre to the Premise (FTTP) solution for small towns
Fibre to the Cabinet (FTTC) copper connections are severely restricted in respect of delivery; they can deliver a maximum of 80 Mbps to premises within a range of 300 metres from a green cabinet. This drops rapidly to 30 Mbps within 1 kilometre and to 10 Mbps within its maximum range of 3 kilometres.

Chairman's Statement (continued)

Fibre to the Premise (FTTP) solution for small towns (continued)
FTTP incurs lower operating expenditure than FWA and is regarded as the best solution available in the market. It is able to deliver multigigabit speeds, restricted only by the equipment joined by the fibre, thereby creating for RBBS a valuable future-proof asset. Each 'gigabit town' contains a local tele-phone exchange and has properties which are currently reached by an FTTC solution. These are the towns to which the 'gigabit villages' would have ultimately connected with long reach copper based connections. They also lie within Area 3 (rural areas which can access a voucher under the DCMS gigabit project scheme). Therefore, they can be captured using the same model as that used for villages, but on a much larger scale and predominantly with pure fibre. Independently, these towns are currently seen as too small to attract significant competition but yet as a group create a considerable potential base for revenue growth for our Company.

Accreditation within Openreach
We are fully accredited within Openreach. As such we have the ability to re-use its ducts and poles and have access to its telephone exchanges and 'dark fibre'. We are therefore able to add an FTTP solution to our portfolio, not only within the newly identified towns but also to the original villages. High capacity bandwidth to the villages will be supplied over our existing wireless mast infrastructure which is currently undergoing gigabit-capable upgrades. Those targeted properties which lie outside the village or town and are unable to be uplifted by us to an FTTP solution will still be able to receive a faster broadband connection through our existing FWA mast coverage.

Capital Availability and Outlook
We are encouraged and excited by the planned expansion of our services and by the potential for the Company borne from the existing and growing size of the rural broadband market. We are also encouraged by the ever increasing demand within the UK for nationwide fast and reliable broadband. Our dynamic business sector has become critical element in returning the economy to growth within the short and long term. We are focused on delivering first rate services to our growing customer base thereby maximising our return on investment to all our stakeholders.

We are cheered that over the last several months a number of dedicated sources of capital are seeking opportunities to fund the growth areas that I have described above. Such investment inevitably will concentrate on high quality human resources and in this respect I would like to record my sincere thanks to our management team which, under the leadership and aspiration of Chris New and our Chief Financial Officer, Simon Hersh, has faced the challenging and fast evolving environment with skill, hard work and dedication. As a result, I look forward with confidence to our achieving the progress we are seeking throughout this year and beyond.

Keith Harris
Chairman
8 June 2021

Report of the Directors

The Directors hereby submit their annual report together with the audited consolidated financial statements of Rural Broadband Solutions Plc (formerly known as SAPO PLC) (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2020.

The Company

The Company is incorporated in the Isle of Man under the Isle of Man Companies Act 2006.The investment strategy of the Company is to identify investment opportunities and acquisitions in the developing market for rural broadband in the UK. The Company seeks to provide Shareholders with an attractive total return achieved primarily through capital appreciation.

Secure Web Services Limited was the first private business identified by the Company to satisfy the investment strategy requirements. An increase in share capital in October 2020 partly funded the acquisition of Secure Web Services Limited and provides working capital to finance its growth.

Independent Auditor

Jeffreys Henry LLP were appointed as independent auditors and, being eligible, have indicated their willingness to continue in office.

Results and dividends

The Group has reported a loss for the year of £727,890 (2019: £371,642). The results and position of the Group at the year-end are set out on pages 13 to 38 of the financial statements.

Directors

The Directors who served during the year and up to the date of this Report were as follows:

	Appointed	**Resigned**
Michael Langoulant	9 May 2018	
Michael Meyer – Chairman	24 August 2018	Deceased 23 January 2020
Dr Keith Harris - Chairman	10 March 2020	
Selwyn Lewis	10 March 2020	
Christopher Stone	8 June 2021	

Directors and other interests

At the balance sheet date, Michael Meyer held 72,700,000 Ordinary Shares in the Company. Mr Meyer's holding includes 28,600,000 Ordinary shares owned by his wife Livia Meyer.

Dr Keith Harris holds 29,460,000 Ordinary Shares and 9,460,000 Warrants in the Company. Dr Harris' holding includes 2,000,000 Ordinary shares and 2,000,000 Warrants owned by his wife. Dr Harris received a success fee of £40,000 for the completion of the fundraising in October 2020.

Selwyn Lewis is one of four beneficiaries of a discretionary trust (the other three being his children) whose Trustees are Trident Trust Company (IOM) Limited. Trident Trust Company (IOM) Limited owns Placifor Investment Corporation which holds 35,309,262 Ordinary Shares in the Company.

On 8 June 2021, Christopher Stone was appointed as a director of the Company. He holds 8,000,000 Ordinary Shares and 8,000,000 Warrants in the Company.

Save as disclosed above and in note 26, none of the Directors had any interest during the year in any material contract for the provision of services which was significant to the business of the Company.

Report of the Directors (continued)

Principal risk and uncertainties

The Board regularly reviews the risks to which the company is exposed and ensures through its meetings and regular reporting that these risks are minimised as far as possible.

Principal risks and uncertainties facing the Group include but are not limited to:

Shareholder value - There is a risk that the new strategy does not add to a sustained increase in shareholder value.

Business model - the risk that the Group's business model is not sustainable due to poor execution of the Group's strategic plan or inability to adapt to changing market conditions.

Financial - any risks that could impact the Group's financial profile, in particular cash flow risk arising from failure to maintain an adequate working capital position.

Compliance - the risk of not meeting relevant legislations, rules and regulations which could cause customers harm, financial losses or reputational damage to the Group.

Operational - the risk that failures of people, processes or internal and third-party systems could lead to a service disruption or financial losses.

Brexit – the risk associated from importing supplies post Brexit.

Covid 19 - the health risk to both members of staff and the ability to roll out the service due to Covid 19.

Future outlook of the business

The Company continues to seek out other opportunities to develop the market for rural broadband services.

On behalf of the Board

Keith Harris
Chairman
8 June 2021

Statement of Directors' Responsibilities

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

The Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") (as adopted by the European Union). In preparing those financial statements it is the Directors' responsibility to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

Keith Harris
Chairman
8 June 2021

Independent auditor's Report to the Members of Rural Broadband Solutions PLC

Opinion

We have audited the financial statements of Rural Broadband Solutions Plc (the "parent company") and its subsidiaries (the "Group") for the year ended 31 December 2020 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated cash flow statement, the company cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the parent company and Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Isle of Man Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the parent company's and Group's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the financial statements have been prepared in accordance with the requirements of the Isle of Man Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing these financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included, as part of our risk assessment, review of the nature of the business of the group, its business model and related risks including where relevant the impact of the COVID-19 pandemic and Brexit, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the Group's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

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

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the key audit matter</th></tr>
<tr><td>Recoverability of investment in and loans to subsidiary

The parent company carried investments in subsidiaries of £1.59m (2019: £Nil) at the year end.

The parent company also had amounts owed by subsidiary undertaking of £215k (2019: £Nil) at the year end, after recognition of an impairment loss of £63k (2019: £Nil).

Management's assessment of the recoverable amounts from investments in and loans to subsidiary requires estimation and judgement around assumptions used, including the cash flows to be generated from continuing operations. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting the value of investment in the subsidiary, amounts recoverable from the subsidiary and resulting impairment charges.

The directors have assessed the recoverability of intercompany balances and have concluded that they are recoverable.

However, there is a risk that the subsidiary may not be able to trade as expected in the future due to circumstances outside the control of the company, and therefore the investment and the amounts recoverable may be further impaired.</td><td>We performed the following audit procedures to address the risk:
• reviewed management's assessment of future operating cashflows and indicators of impairment;
• assessed the methodology used by management to estimate the future profitability of subsidiary and recoverable value of the investment, in conjunction with any intra-group balances, to ensure that the method used is appropriate;
• assessed the reasonableness of the key assumptions used in management's estimates of recoverable value, in line with the economic and industry statistics relevant to the business;
• confirmed that any adverse changes in key assumptions will not materially increase the impairment loss;
• challenged cash inflows from revenue generating activities and the key assumptions applied in arriving at the expected revenues for the foreseeable future;
• assessed the appropriateness and applicability of discount rate applied to the current business performance;
• assessed the reasonability of cash outflows, including contracted costs and expected capital expenditure;
• reviewed the latest management accounts for all entities in the group to confirm reasonability of assumption used in the cashflow forecast;

Based on the audit work performed we are satisfied that the management have made reasonable assumptions in arriving at the value of the subsidiary in the group based on net present value of future cashflow. The net present value of the subsidiary is higher than the investment in and loans issued to them, after the impairment. Therefore, the impairment loss recognised in relation to the loans receivable is accurate.</td></tr>
<tr><td>Accounting for acquisition of subsidiary

Management acquired 100% interest in a subsidiary for consideration of £1.59m during the year.

We identified a risk that the fair value of goodwill may not have been accurately derived when accounting for the business combination.</td><td>We performed the following audit procedures to address the risk:
• critically reviewed the consolidation workings, consolidation journals and assessed how the entity was accounted for at the point of acquisition to ensure principals of IFRS 3 have been adhered;
• reviewed the share purchase agreement to ensure considerations was included at fair value and the fair values of the assets and the liabilities agreed to the consolidation workings provided by management;
• reviewed the share purchase agreement for any clauses which could have future impact on the valuation of assets acquired;
• discussed the future operation of the newly acquired subsidiary and synergies expected from the acquisition;
• reviewed the consolidated financial statements to ensure all the necessary disclosures were made;

Based on the audit work performed we are satisfied that the acquired entity has been accurately consolidated and all necessary disclosures have been made in the financial statement of the Group.</td></tr>
</table>

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

Our application of materiality (continued)

	Group financial statements	Parent Company
Overall materiality	£61k (2019: £33k)	£54k (2019: £33k)
How we determined it	Based on 1.5% of Gross Assets (2019: 2.5% of Gross Assets)	Based on 1.5% of Gross Assets (2019: 2.5% of Gross Assets)
Rationale for benchmark applied	We believe that Gross Assets are a primary measure used by shareholders in assessing the financial position of the Group and is a generally accepted auditing benchmark.	We believe that Gross Assets are a primary measure used by shareholders in assessing the financial position of the Group and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £54k and £82k.

Performance materiality
We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Group performance materiality was set at 75% of Group materiality for the 2020 audit (2019: 75%).

We determined performance materiality with reference to factors such as our understanding of the Group and its complexity, the quality of the control environment and ability to rely on controls and the low level of uncorrected misstatements in the prior year audit.

Error reporting threshold
We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £3k (Group audit) (2019: £1.6k) and £2.7k (Company audit) (2019: £1.6k) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group is made up of Rural Broadband Solutions Plc and its subsidiary, Secure Web Services Limited. The subsidiary is the main trading entity of the Group. Our full audit scope covered 100% of revenue, 100% of profit before tax and 100% of net assets across the Group.

The Group engagement team performed all audit procedures.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Isle of Man Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the broadband services sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, employment, health and safety legislation and anti-money laundering regulations.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries with specific attributes to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

The extent to which the audit was considered capable of detecting irregularities including fraud (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- review of legal expenditure incurred during the year;
- reviewing correspondence with IoM tax authority and HMRC.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of this report

This report is made solely to the Company's members, as a body, in accordance with Chapter 2 of Part V of the Isle of Man 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.

Sanjay Parmar (Senior Statutory Auditor)
For and on behalf of
Jeffreys Henry LLP, Statutory Auditor
Finsgate
5-7 Cranwood Street
London EC1V 9EE
8 June 2021

Consolidated Income Statement

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Turnover		128	-
Cost of sales	5	(30)	(25)
Gross profit/(loss)		**98**	**(25)**
Other administration fees and expenses	6	(769)	(352)
Other operating income		23	-
Amortisation of intangible assets	9	(23)	-
Operating loss		**(671)**	**(377)**
Finance income		5	10
Finance expenses		(23)	-
Foreign exchange gain/(loss)	3	(31)	(5)
Net finance (expense)/income		**(49)**	**5**
Loss before income tax		**(720)**	**(372)**
Income tax expense	7, 8	(8)	-
Loss for the year		**(728)**	**(372)**
Attributable to:			
- Owners of the Parent		(728)	(372
		(728)	**(372)**
Basic and diluted loss per share (pence) attributable to the owners of the Parent during the year	12	**(0.35)**	**(0.42)**

The accompanying notes on pages 21 to 38 form an integral part of these financial statements

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss for the year		**(728)**	**(372)**
Other comprehensive expense		-	-
Total comprehensive expense for the year		**(728)**	**(372)**
Total comprehensive expense attributable to:			
- Owners of the Parent		(728)	(372)
		(728)	**(372)**

The accompanying notes on pages 21 to 38 form an integral part of these financial statements

Consolidated Balance Sheet

	Note	As at 31 December 2020 £'000	As at 31 December 2019 £'000
Assets			
Non-current assets			
Intangible assets	9	1,372	-
Right-of-use assets	10	30	-
Fixed assets	11	605	-
Subscriptions due	13	950	750
Total non-current assets		**2,957**	**750**
Current assets			
Stock	15	187	-
Trade and other receivables	16	146	547
Cash at bank	17	789	94
Total current assets		**1,122**	**641**
Total assets		**4,079**	**1,391**
Equity			
Capital and reserves attributable to owners of the Parent:			
Issued share capital	18	3,041	1,663
Warrant reserve	19	77	-
Retained earnings	20	409	(556)
Total equity		**3,527**	**1,107**
Liabilities			
Current liabilities			
Bank loan	23	12	-
Lease liability	10	28	-
Trade and other payables	22	212	284
Total current liabilities		**252**	**284**
Non-current liabilities			
Bank loan	23	153	-
Lease liability	10	69	-
Deferred tax	24	78	-
Total non-current liabilities		**300**	**-**
Total liabilities		**552**	**284**
Total equity and liabilities		**4,079**	**1,391**

The financial statements on pages 13 to 38 were approved and authorised for issue by the Board of Directors on 8 June 2021 and signed on its behalf by:

Keith Harris
Director

Selwyn Lewis
Director

The accompanying notes on pages 21 to 38 form an integral part of these financial statements

Company Balance Sheet

	Note	As at 31 December 2020 £'000	As at 31 December 2019 £'000
Assets			
Non-current assets			
Investment in subsidiary		1,588	-
Subscriptions due	13	950	750
Total non-current assets		**2,538**	**750**
Current assets			
Intragroup balances	14	207	-
Trade and other receivables	16	97	547
Cash at bank	17	760	94
Total current assets		**1,064**	**641**
Total assets		**3,602**	**1,391**
Equity			
Capital and reserves attributable to owners of the Parent:			
Issued share capital	18	3,041	1,663
Warrant reserve	19	77	-
Retained earnings	20	409	(556)
Total equity		**3,527**	**1,107**
Liabilities			
Current liabilities			
Trade and other payables	22	75	284
Total current liabilities		**75**	**284**
Total liabilities		**75**	**284**
Total equity and liabilities		**3,602**	**1,391**

No separate income statement has been presented for the Company. The loss made by the Company for the year ended 31 December 2020 was £727,890 after an impairment charge against intragroup balances amounting to £71,340.

The financial statements on pages 13 to 38 were approved and authorised for issue by the Board of Directors on 8 June 2021 and signed on its behalf by:

Keith Harris
Director

Selwyn Lewis
Director

The accompanying notes on pages 21 to 38 form an integral part of these financial statements

Consolidated Statement of Changes in Equity

	Attributable to owners of the parent				
	Share capital	Share premium	Warrant reserve	Retained earnings/ (deficit)	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2019	623	-	-	(184)	439
Comprehensive expense					
Loss for the year	-	-	-	(372)	(372)
Total comprehensive expense for the year	-	-	-	(372)	(372)
Transactions with owners					
Issue of shares	1,040	-	-	-	1,040
Total transactions with owners	1,040	-	-	-	1,040
Balance at 31 December 2019	**1,663**	**-**	**-**	**(556)**	**1,107**
Balance at 1 January 2020	1,663	-	-	(556)	1,107
Comprehensive expense					
Loss for the year	-	-	-	(728)	(728)
Total comprehensive expense for the year	-	-	-	(728)	(728)
Transactions with owners					
Issue of shares	1,378	1,770	-	-	3,148
Share issue expenses relating to warrants	-	(77)	77	-	-
Transfer to retained earnings	-	(1,693)	-	1,693	-
Total transactions with owners	1,378	-	77	1,693	3,148
Balance at 31 December 2020	**3,041**	**-**	**77**	**409**	**3,527**

The accompanying notes on pages 21 to 38 form an integral part of these financial statements

Company Statement of Changes in Equity

	Share capital	Share premium	Warrant reserve	Retained earnings/ (deficit)	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2019	623	-	-	(184)	439
Comprehensive expense					
Loss for the year	-	-	-	(372)	(372)
Total comprehensive expense for the year	-	-	-	(372)	(372)
Transactions with owners					
Issue of shares	1,040	-	-	-	1,040
Total transactions with owners	1,040	-	-	-	1,040
Balance at 31 December 2019	**1,663**	**-**	**-**	**(556)**	**1,107**
Balance at 1 January 2020	1,663			(556)	1,107
Comprehensive expense					
Loss for the year	-	-	-	(728)	(728)
Total comprehensive expense for the year	-	-	-	(728)	(728)
Transactions with owners					
Issue of shares	1,378	1,770	-	-	3,148
Share issue expenses relating to warrants	-	(77)	77	-	-
Transfer to retained earnings	-	(1,693)	-	1,693	-
Total transactions with owners	1,378	-	77	1,693	3,148
Balance at 31 December 2020	**3,041**	**-**	**77**	**409**	**3,527**

The accompanying notes on pages 21 to 38 form an integral part of these financial statements

Consolidated Cash Flow Statement

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash flows from operating activities			
Loss for the year before tax		(720)	(372)
Adjustments for:			
Finance income		(5)	(10)
Finance expenses		23	-
Depreciation and impairment of tangible fixed assets	11	30	-
Amortisation of intangible assets	9	23	-
Foreign exchange loss	3	31	5
Operating loss before changes in working capital		**(618)**	**(377)**
Decrease in trade and other receivables		360	11
(Decrease)/increase in trade and other payables		(265)	137
Cash used in operations		**(523)**	**(229)**
Interest received		5	-
Net cash used in operating activities		**(518)**	**(229)**
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(108)	-
Net cash on acquisition of subsidiary	27	(946)	-
Net cash used in from investing activities		**(1,054)**	**-**
Cash flows from financing activities			
Issue of shares		2,291	290
Principal paid on lease liabilities		(23)	-
Interest paid on lease liabilities		(1)	-
Net cash generated from financing activities		**2,267**	**290**
Net increase/(decrease) in cash and cash equivalents		695	61
Cash and cash equivalents at beginning of the year		94	33
Foreign exchange losses on cash and cash equivalents		-	-
Cash and cash equivalents at end of the year	17	**789**	**94**

The accompanying notes on pages 21 to 38 form an integral part of these financial statements

Company Cash Flow Statement

	Note	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Cash flows from operating activities			
Loss for the year before tax		(720)	(372)
Adjustments for:			
Finance income		(5)	(10)
Impairment of intragroup balances		63	-
Foreign exchange loss	3	31	5
Operating loss before changes in working capital		**(631)**	**(377)**
Decrease in trade and other receivables		413	11
(Decrease)/increase in trade and other payables		(130)	137
Cash used in operations		**(348)**	**(229)**
Interest received		5	-
Net cash used in operating activities		**(343)**	**(229)**
Cash flows from investing activities			
Investment in subsidiary	26	(1,003)	-
Loan to subsidiary		(279)	-
Net cash used in from investing activities		**(1,282)**	**-**
Cash flows from financing activities			
Issue of shares		2,291	290
Net cash generated from financing activities		**2,291**	**290**
Net increase/(decrease) in cash and cash equivalents		666	61
Cash and cash equivalents at beginning of the year		94	33
Foreign exchange losses on cash and cash equivalents		-	-
Cash and cash equivalents at end of the year	17	**760**	**94**

The accompanying notes on pages 21 to 38 form an integral part of these financial statements

Notes to the Financial Statements

1 General information

Rural Broadband Solutions Plc (formerly known as SAPO PLC) (the "Company") was incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 on 27 June 2006 as a public limited company with registered number 117001C. On 7 January 2011 with the approval of Shareholders in general meeting, the Company was re-registered as a company under the Isle of Man Companies Act 2006 with registered number 006491v. Rural Broadband Solutions Plc and its subsidiaries' (the "Group") investment strategy is to identify investment opportunities and acquisitions in the developing market for rural broadband in the UK. The Company seeks to provide Shareholders with an attractive total return achieved primarily through capital appreciation.

The Company's administration is delegated to Mainstream Fund Services (IOM) Limited (the "Administrator"). The registered office of the Company is Millennium House, 46 Athol Street, Douglas, Isle of Man, IM1 1JB.

Pursuant to a prospectus dated 20 October 2006 there was an authorisation to place up to 50 million shares. Following the close of the placing on 26 October 2006, 30 million shares were issued at a price of 100p per share.

The shares of the Company were admitted to trading on the AIM Market of the London Stock Exchange ("AIM") on 26 October 2006 when dealings also commenced. On the same date the shares of the Company were admitted to the Official List of the Channel Islands Stock Exchange (the "CISX").

As a result of a further fundraising in May 2007, 32,292,810 shares were issued at a price of 106p per share, which were admitted to trading on AIM on 22 May 2007.

On 4 June 2018 the listing of the Company's shares on the AIM market of the London Stock Exchange and on TISE was cancelled.

Pursuant to an Admission Document dated 2 December 2019 there was a placing of 29,000,000 shares on 2 December 2019. On the same date the shares of the Company were admitted to trading on the Aquis Stock Exchange (formerly the NEX Exchange Growth Market).

Pursuant to an Admission Document dated 23 September 2020 there was a placing of 100,000,000 shares and 100,000,000 warrants for the fundraising, consideration shares of 16,000,000 in relation to the acquisition of Secure Web Services Limited (note 27) and 800,000 shares and 1,622,400 warrants issued in consideration for services on 21 October 2020. On the same date the shares of the Company were re-admitted to trading on the Aquis Stock Exchange.

The Company's agents perform all functions, other than those carried out by the Board.

The financial statements were authorised for issue by the directors on 8 June 2021.

2 Summary of significant accounting policies

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

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements have been prepared on a going concern basis, with assets stated at realisable amounts and provisions of the estimated liquidation costs.

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Adoption of new and revised International Financial Reporting Standards (IFRSs)

A number of new standards, amendments to standards and interpretation are effective for annual periods beginning after 1 January 2021 and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group. The relevant standards are as follows.

Adoption of new and revised International Financial Reporting Standards (IFRSs)

Reference	Title	Summary	Application date of standard (Periods commencing on or after)
IFRS17	Insurance contracts	Principles for the recognition, measurement, presentation and disclosure of insurance	1 January 2021
Amendment to IAS 1	Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant).	1 January 2022
Amendments to IAS 37	Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts—Cost of Fulfilling a Contract	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.	1 January 2022
Annual improvements cycle 2018 - 2020		These amendments include minor changes to: IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.	1 January 2022

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.2 Significant accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Trade receivables and Loans and receivables
The Group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Group makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

2.3 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Pound Sterling, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the company income statement.

(c) Group companies
The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates; and
- (iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is disposed of, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. On the partial disposal of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of exchange differences recognised in other comprehensive income is re-attributed to the non-controlling interests. In any other partial disposal of a foreign operation, the proportionate share of the cumulative exchange differences recognised in other comprehensive income is reclassified to profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 Revenue and expense recognition

Revenue from the provision of broadband services is recognised by reference to the month it is provided. Revenue is shown net of value added tax.

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.4 Revenue and expense recognition (continued)

Interest income is recognised in the financial statements on a time-proportionate basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the period.

Expenses are accounted for on an accruals basis.

2.5 Basis of consolidation

Subsidiaries
Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists, the company considers all relevant facts and circumstances including the size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights, substantive potential voting rights held by the company and by other parties, other contractual arrangements and historic patterns in voting attendance.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and continue to be included until control is lost or ceases.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Transactions and non-controlling interests
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised gains/losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.6 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Board of the Company.

The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Based on this internal reporting to the Board, it has been determined that there is only one operating segment, the provision of broadband services in the UK.

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.7 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
– fixed payments, including in-substance fixed payments;
– variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
– amounts expected to be payable under a residual value guarantee; and
– the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (<£5k) and short-term leases (less than 12 months remaining). The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.8 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost of the assets less their residual values over their useful lives on the following bases:

Plant & Machinery	Written off over 1, 3, 4, 6 or 10 years
Motor vehicles	25% straight line
Fixtures & fittings	25% straight line
Computer equipment	25% straight line
Freehold buildings	Over the period of the lease payments and over 10 years

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

2.9 Financial assets and financial liabilities

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. The Board determine the classification of its financial assets at initial recognition. At 31 December 2020 the Group did not have any financial assets at fair value through profit or loss or available for sale.

Trade and other receivables
Trade and other receivables and loans to third parties are stated at their cost, less any impairment losses

Cash at bank
Cash at bank are stated at fair value.

Financial liabilities at amortised cost comprise trade and other payables, and borrowings. They are classified as current and noncurrent liabilities depending on the nature of the transaction, are subsequently measured at amortised cost using the effective interest method.

Borrowings
Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are expensed in the consolidated income statement under the heading ‘finance expenses’. Arrangement and facility fees together with bank charges are charged to the income statement under the heading ‘other administration fees and expenses’.

Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

2.10 Government grant

A government grant is recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received. The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.11 Taxation

The Company is resident for taxation purposes in the Isle of Man and is subject to income tax at a rate of zero per cent. The Group is liable for tax in the UK on the activities of its subsidiary.

The tax expense represents the sum of the tax currently payable, which is based on taxable profits for the period. The Group's liability is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Deferred tax assets are recognised to the extent that they are expected to be recovered in the foreseeable future.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Warrants

The Company estimates the fair value of the future liability relating to issued warrants using:

- residual method, where a warrant was issued and included as a part of a package placement of "1 share + 1 warrant";
- the Black-Scholes pricing model taking into account the terms and conditions upon which the warrants were issued, if the warrant was granted on its own.

Warrants relating to equity finance are recorded as a reduction of share premium based on the fair value of the warrants.

2.14 Distributions

Distributions are recognised as a liability in the period in which they are declared and approved.

2.15 Employee benefits

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

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

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

2.16 Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Notes to the Financial Statements (continued)

3 Risk management in respect of financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: loans and receivables and other liabilities as detailed in note 2.9.

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's operations in the prior year were conducted in jurisdictions which generate revenue, expenses, assets and liabilities in currencies other than Pound Sterling ("the functional currency of the Company"). As a result the Group was subject to the effects of exchange rate fluctuations with respect to these currencies. The currency giving rise to this risk was the South African Rand.

The Group's policy is not to enter into any currency hedging transactions. The table below summarises the Group's exposure to foreign currency risk in respect of its financial instruments for the prior year, there was no exposure to foreign currency risk as at 31 December 2020:

31 December 2019	Monetary Assets £'000	Monetary Liabilities £'000	Total £'000
South African Rand	543	(112)	431
	543	**(112)**	**431**

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date. This relates also to financial assets carried at amortised cost.

At the reporting date, the Group's financial assets exposed to credit risk amounted to the following:

	31 December 2020 £'000	31 December 2019 £'000
Subscriptions due	950	750
Trade and other receivables	146	547
Cash at bank	789	94
	1,885	**1,391**

The Group manages its credit risk by monitoring the creditworthiness of counterparties regularly. Cash transactions and balances are limited to high-credit-quality financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. The Group currently manages its liquidity risk by maintaining sufficient cash and banking facilities as indicated by its cashflow forecasts. The Group's liquidity position is monitored by the Board of Directors.

Notes to the Financial Statements (continued)

3 Risk management in respect of financial instruments (continued)

Liquidity risk (continued)

The residual undiscounted contractual maturities of financial liabilities are as follows:

31 December 2020	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5 years £'000	No stated maturity £'000
Financial liabilities						
Trade and other payables	212	-	-	-	-	-
	212	**-**	**-**	**-**	**-**	**-**

31 December 2019	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5 years £'000	No stated maturity £'000
Financial liabilities						
Trade and other payables	284	-	-	-	-	-
	284	**-**	**-**	**-**	**-**	**-**

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk from the cash held in interest bearing accounts at floating rates or short term deposits of one month or less and on loans from third parties. The Company's Board of Directors monitor and review the interest rate fluctuations on a continuous basis and act accordingly.

During the year ended 31 December 2020 should interest rates have decreased by 100 basis points, with all other variables held constant, the shareholders' equity and profit for the period would have been £5,000 lower (2019: 100 basis points, £4,000 lower).

Capital risk management

The Company's primary objective when managing its capital base is to safeguard its ability to continue as a going concern whilst disposing of the Group's portfolio where acceptable returns can be generated and returning excess capital to shareholders.

Capital comprises share capital (see note 18) and reserves.

No changes were made in respect of the objectives, policies or processes in respect of capital management during the tears ended 31 December 2019 and December 2020.

4 Segment Information

The entity is domiciled in the Isle of Man. All of the reported revenue, £127,800 (2019: £nil) arises in the UK.

5 Cost of sales

	Year ended 31 December 2020 £'000	Year ended 31December 2019 £'000
Broadband services	30	-
Property expenses	-	25
	30	25
Total cost of sales	**30**	**25**

Property expenses comprise utilities, rates and related expenses incurred in respect of Brakpan.

Notes to the Financial Statements (continued)

6 Other administration fees and expenses

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Audit of financial statements of Group and Company	11	14
Audit of financial statements of subsidiaries	10	-
Non-audit services	20	-
Depreciation	27	-
Directors' remuneration and fees	84	94
Directors' insurance cover	2	-
Professional fees	78	2
Listing costs	-	152
Acquisition costs	395	-
Other expenses	142	90
Administration fees and expenses	**769**	**352**

Included within other administration fees and expenses are the following:

Directors' remuneration

The maximum amount of basic remuneration payable by the Company by way of fees to the Non-executive Directors permitted under the Articles of Association is £200,000 per annum. All Directors are each entitled to receive reimbursement of any expenses incurred in relation to their appointment. Mr Meyer was entitled to receive an annual fee of £82,200 pre-listing on the Aquis Stock Exchange and thereafter an annual fee of £87,000. Mr Langoulant and Mr Lewis are entitled to receive an annual fee of £6,000.

Executive Directors' fees

The Chairman is entitled to an annual fee of £80,000.

Subsidiary directors' fees

Remuneration for directors' fees at the subsidiary level (since acquisition in October 2020) amounted to £12,089.

All directors' remuneration and fees

Total fees and basic remuneration (including VAT where applicable) paid to the Directors for the year ended 31 December 2020 amounted to £84,459 (31 December 2019: £93,550) and was split as below. Directors' insurance cover amounted to £1,510 (31 December 2019: £nil).

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Michael Meyer	-	84
Selwyn Lewis	5	-
Michael Langoulant	6	10
Keith Harris	65	-
Directors of the subsidiary	12	-
Former director	(4)	-
	84	94

7 Income tax expense

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Current tax	**-**	**-**

Notes to the Financial Statements (continued)

7 Income tax expense (continued)

The tax on the Group's loss before tax is higher than the standard rate of income tax in the Isle of Man of zero per cent. The differences are explained below:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss before tax	(728)	(372)
Tax calculated at domestic tax rates applicable in the Isle of Man (0%)	-	-
Effect of higher tax rates in UK (19%)	-	-
Tax expense	**-**	**-**

8 Deferred tax

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Origination and reversal of timing differences	8	-
Total deferred tax	8	-
Total tax charge	**8**	**-**

The total tax charge for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Loss before tax	(728)	(372)
Expected tax charge based on the standard rate of corporation tax in the UK of 19%	(8)	-
Tax effect of expenses that are not deductible in determining taxable profit	25	-
Tax effect of capital allowances claimed	(46)	-
Effect of losses (utilised)/carried forward	21	-
Tax expense	**8**	**-**

At the balance sheet date, the Group had losses available for tax relief of £189,482 (2019: £nil). These losses arise due to accelerated capital allowance.

Deferred tax of £77,695 (2019: £nil) has been recognised in connection with the accelerated capital allowances received.

Notes to the Financial Statements (continued)

9 Intangible assets

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Goodwill		-
Acquisition of subsidiary during the year (note 27)	1,395	-
Amortisation	(23)	-
	1,372	-

Goodwill is being amortised over a period of 10 years. The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. Consistent with the segmental reporting, the business has one cash generating unit to which all goodwill arising on acquisitions has been allocated. The recoverable amount of the cash generating unit is determined by reference to fair value of the cash generating unit less estimated costs of disposal. The fair value of the cash generating unit is determined with reference to a Level 1 input, based on the quoted share price in an active market. As at 31 December 2020, the recoverable amount of the cash generating unit was considered to be significantly in excess of its book value.

10 Leases

Right-of-use assets	**Land and buildings**	**Vehicles**	**Total**
	£'000	**£'000**	**£'000**
Cost or valuation			
At 1 January 2020	-	-	-
Acquired with subsidiary	18	14	32
Additions	-	-	-
Amortisation	(1)	(1)	(2)
At 31 December 2020	17	13	30

Lease liabilities	**Land and buildings**	**Vehicles**	**Total**
	£'000	**£'000**	**£'000**
Cost or valuation			
At 1 January 2020	-	-	-
Acquired with subsidiary	14	18	32
Additions	86	-	86
Interest expense	-	-	-
Lease payments	(20)	(1)	(21)
At 31 December 2020	80	17	97
Current	22	6	28
Non-current	58	11	69
At 31 December 2020	80	17	97

Notes to the Financial Statements (continued)

11 Tangible fixed assets

	Plant & machinery £'000	Motor vehicles £'000	Fixtures & fittings £'000	Computer equipment £'000	Freehold building £'000	Total £'000
Cost or valuation						
At 1 January 2020	-	-	-	-	-	-
Acquired with subsidiary	854	78	59	148	6	1,145
Additions	80	3	1	7	88	179
At 31 December 2020	934	81	60	155	94	1,324
Depreciation						
At 1 January 2020	-	-	-	-	-	-
Acquired with subsidiary	(439)	(55)	(52)	(143)	-	(689)
Charge for the year	(25)	(1)	-	(1)	(3)	(30)
At 31 December 2020	(464)	(56)	(52)	(144)	(3)	(719)
Net book value						
At 31 December 2020	470	25	8	11	91	605
At 31 December 2019	-	-	-	-	-	-

12 Basic and diluted loss per share

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of shares in issue during the year.

	Year ended 31 December 2020	Year ended 31 December 2019
Loss attributable to equity holders of the Company (£'000)	(728)	(372)
Weighted average number of shares in issue (thousands)	205,964	87,896
Basic loss per share (pence per share)	**(0.35)**	**(0.42)**

(b) *Diluted*

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has one category of dilutive potential ordinary shares: warrants.

As the Group is reporting a loss from continuing operations for the year, in accordance with IAS 33, the warrants are not considered dilutive because the exercise of the warrants would have an anti-dilutive effect. The basic and diluted loss per share as presented on the face of the Consolidated Income Statement are therefore identical.

13 Subscriptions due

On 10 September 2019 75 million Ordinary Shares were allotted, 37.5 million to Michael Meyer (former Chairman of the Company) and 37.5 million to Barry Hersh. The Ordinary Shares were issued at a price of 1 pence per share. The consideration for the Ordinary Shares is to be left outstanding on terms that it shall be paid to the Company in full by 31 December 2024.

On 17 March 2020 20 million Ordinary Shares were allotted to Keith Harris (Chairman of the Company). The Ordinary Shares were issued at a price of 1 pence per share. The consideration for the Ordinary Shares is to be left outstanding on terms that it shall be paid to the Company in full by 31 December 2024.

Notes to the Financial Statements (continued)

14 Intragroup balances

Intragroup balances are unsecured, interest-free and repayable on demand.

15 Stock

	31 December 2020	31 December 2019
	£'000	£'000
Stock of raw materials	187	-

No impairment has been recognised during the year in respect of raw materials used by the Group.

16 Trade and other receivables

	31 December 2020	31 December 2019
Group	£'000	£'000
Trade debtors	8	-
Prepayments	49	4
Proceeds due from sale of inventory and sale of subsidiary*	13	543
VAT receivable	76	-
Trade and other receivables	**146**	**547**

* proceeds were held in escrow by the South African administrator

	31 December 2020	31 December 2019
Company	£'000	£'000
Prepayments	21	4
Proceeds due from sale of inventory and sale of subsidiary*	-	543
VAT receivable	76	-
Trade and other receivables	**97**	**547**

* proceeds were held in escrow by the South African administrator

The fair value of trade and other receivables approximates their carrying value.

17 Cash and cash equivalents

	31 December 2020	31 December 2019
Group	£'000	£'000
Bank balances	789	94
Cash at bank	**789**	**94**

	31 December 2020	31 December 2019
Company	£'000	£'000
Bank balances	760	94
Cash at bank	**760**	**94**

Notes to the Financial Statements (continued)

18 Share capital

Ordinary Shares of 1p each	As at 31 December 2020 Number	As at 31 December 2020 £'000
Authorised	800,000,000	8,000
Issued and fully paid up	304,092,810	3,041

Ordinary Shares of 1p each	As at 31 December 2019 Number	As at 31 December 2019 £'000
Authorised	200,000,000	2,000
Issued and fully paid up	166,292,810	1,663

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

No distributions were paid during the year (31 December 2019: none).

On 17 January 2020 the Company issued 1,000,000 Ordinary Shares at 2.75 pence per Ordinary Share, increasing the Company's issued share capital to 167,292,810.

On 17 March 2020 20,000,000 Ordinary Shares were allotted to Keith Harris (Chairman of the Company).

On 14 April 2020 at the EGM the resolution was passed to increase the authorised share capital to 400,000,000 Ordinary Shares at 1 pence per share.

On 21 October 2020 the Company issued 116,800,000 Ordinary Shares at 2.5 pence per Ordinary Share.

19 Warrants

The number and weighted average exercise price of warrants in issue for the year ended 31 December 2020 and 2019 is as follows:

	31 December 2020		31 December 2019	
	Outstanding (000s)	Weighted average exercise price (£)	Outstanding (000s)	Weighted average exercise price (£)
Opening balance 1 January	-	-	-	-
Issued	101,622	0.04	-	-
Exercised	-	-	-	-
Closing balance 31 December	101,622	0.04	-	-

On 21 October 2020 the Company issued 101,622,400 Warrants which can be exercised within 2 years of issue at a price of 4 pence per Warrant to receive 1 Ordinary Share for each Warrant exercised.

Notes to the Financial Statements (continued)

19 Warrants (continued)

The estimate of the fair value of the Warrants is measured based on the Black-Scholes model. The following inputs were used in the calculation of the fair value of the warrants granted.

	31 December 2020	31 December 2019
Fair value (£000s)	77	-
Share price (£)	0.025	-
Expected volatility	30%	-
Expected warrants life (years)	2	-
Expected dividend yield	0%	-
Risk-free interest rate	0.33%	-

The expected volatility is based on the historical share prices of a group of companies deemed to be comparable.

20 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere
Warrant reserve	The warrants reserve arises on the issue of warrants. Refer note 19 for further information.

21 Net asset value ("NAV") per share

	31 December 2020	31 December 2019
Net assets attributable to equity holders of the Company (£'000)	3,535	1,107
Shares in issue (in thousands)	304,093	166,293
NAV per share (£)	**0.01**	**0.01**

22 Trade and other payables

	31 December 2020	31 December 2019
Group	£'000	£'000
Trade creditors	115	-
Directors' fees payable	-	76
Other taxation and social security	11	-
Other payables	76	208
Bank loans (note 23)	12	-
Accruals and deferred income	10	-
Trade and other payables	**224**	**284**

At the balance sheet date there was a loan outstanding to Christopher Raymond New, director of the subsidiary Secure Web Services Limited, of £86 (2019: £0). This is an interest free loan repayable on demand.

Notes to the Financial Statements (continued)

22 Trade and other payables (continued)

Company	31 December 2020 £'000	31 December 2019 £'000
Directors' fees payable	-	76
Other payables	75	208
Trade and other payables	**75**	**284**

The fair value of trade and other payables approximates their carrying value.

23 Bank loans

	31 December 2020 £'000	31 December 2019 £'000
Bank loans	153	-
Creditors: amounts falling due after one year	**153**	**-**

Secure Web Services Limited applied for a loan under the Coronavirus Business Interruption Loan Scheme ("CBILS") on 17 September 2020. A loan in the principal amount of £164,785 was granted with a term of 5 years at an annual fixed interest rate of 8.90 per cent. The loan is repayable in 48 equal monthly instalments of £4,093 with no repayments required in the first 12 months from the grant date.

24 Deferred tax

	Liabilities 31 December 2020 £'000	Liabilities 31 December 2019 £'000
Balances:		
Accelerated capital allowances	114	-
Tax losses	(36)	-
	78	**-**

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Movements in the year:		
Liability at 1 January	-	-
Acquired with subsidiary	70	-
Charge to profit or loss	8	-
Liability at 31 December	**78**	**-**

25 Contingent liabilities and commitments

As at 31 December 2020 the Group had no contingent liabilities or commitments.

26 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions. Key management is made up of the Board of Directors who are therefore considered to be related parties and the transactions were made at arm's length. Fees in relation to the Directors are disclosed in note 6. Shares allotted to related parties are disclosed in notes 13 and 18.

Notes to the Financial Statements (continued)

26 Related party transactions (continued)

Barry Hersh, who is a significant shareholder in the Company, received consultancy fees of £7,500 during the year and a success fee of £40,000 for the completion of the fundraising in October 2020. Simon Hersh, Barry's son, received £37,600 and 800,000 Ordinary Shares during the year for professional services.

The principal subsidiary undertakings within the Group as at 31 December 2020 are:-

	Country of incorporation	Percentage of shares held
Secure Web Services Limited	United Kingdom	100%

Management fees charged to the subsidiary, Secure Web Services Limited, amounted to £19,750. At the balance sheet date there was a balance of £7,600 owed to the Company.

During the year, £271,670 was provided to Secure Web Services Limited, by way of an intercompany loan. At the balance sheet date there was a loan outstanding of £271,670. This loan is interest-free, unsecured and repayable on demand.

27 Acquisition of subsidiary

During the year the Company acquired 100% of the share capital of a UK company, Secure Web Services Limited, for consideration of £1,239,470 and 16,000,000 Ordinary Shares in the Company at a price of 2.5 pence per Ordinary Share. Details of net assets acquired and goodwill are:

	Fair value £'000
Right-of-use assets	32
Fixed assets	456
Stock	187
Trade and other receivables	5
Cash at bank and in hand	57
Trade and other payables	(277)
Bank loan	(165)
Lease liabilities	(32)
Deferred tax	(70)
Total identifiable net assets	**193**
Loan from third party	52
Total interest	**245**
Consideration	1,640
Goodwill (note 9)	1,395

28 Post Balance Sheet Event

On 8 June 2021 Christopher Stone was appointed as a director of the Company. He holds 8,000,000 Ordinary Shares and 8,000,000 Warrants in the Company.