

Company Registration No. 07486862 (England and Wales)

**ORIGIN BROADBAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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ORIGIN BROADBAND LIMITED

COMPANY INFORMATION

Directors Mr O J Bryssau
Mr H T L Wust
Mr A P Simpson

Company number 07486862

Registered office Old Town Hall
Rotherham
S60 1QX

Auditor Knowles Warwick Limited
183 Fraser Road
Sheffield
S8 0JP

Bankers Barclays
Ten Pound Walk
Doncaster
DN4 5HJ

ORIGIN BROADBAND LIMITED

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ORIGIN BROADBAND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

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

Directors

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

Mr O J Bryssau

Mr H T L Wust

Mr S R Cardwell

(Resigned 22 May 2018)

Prof. M G D Hurley

(Resigned 3 June 2019)

Mr R L H Moore

(Resigned 11 July 2018)

Mr A P Simpson

Mr R M Davis

(Appointed 3 August 2018 and resigned 11 September 2018)

Auditor

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

Statement of disclosure to auditor

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

Going Concern

Note 1.2 of the accounting policies in the notes to the financial statement sets out the factors the directors have considered in arriving at the conclusion that it is appropriate to draw up these financial statements on the going concern basis.

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

On behalf of the board

Mr A P Simpson

Director

28 June 2019

ORIGIN BROADBAND LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

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

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

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

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

ORIGIN BROADBAND LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	4		1,944		2,361
Tangible assets	5		1,607,995		2,182,606
			<u>1,609,939</u>		<u>2,184,967</u>
Current assets					
Debtors	6	2,471,674		3,347,773	
Cash at bank and in hand		16,151		13,687	
		<u>2,487,825</u>		<u>3,361,460</u>	
Creditors: amounts falling due within one year	7	(3,176,298)		(7,423,242)	
Net current liabilities			<u>(688,473)</u>		<u>(4,061,782)</u>
Total assets less current liabilities			921,466		(1,876,815)
Creditors: amounts falling due after more than one year	8		(3,898,299)		(172,107)
Net liabilities			<u>(2,976,833)</u>		<u>(2,048,922)</u>
Capital and reserves					
Called up share capital	11		718,642		713,911
Share premium account			9,823,764		6,578,496
Revaluation reserve			864,085		918,090
Profit and loss reserves			<u>(14,383,324)</u>		<u>(10,259,419)</u>
Total equity			<u>(2,976,833)</u>		<u>(2,048,922)</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 24 June 2019 and are signed on its behalf by:

Mr A P Simpson
Director

Company Registration No. 07486862

ORIGIN BROADBAND LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2017		713,025	3,079,531	972,095	(3,339,905)	1,424,746
Period ended 31 March 2018:						
Loss and total comprehensive income for the period		-	-	-	(6,973,519)	(6,973,519)
Issue of share capital	11	886	3,498,965	-	-	3,499,851
Transfers		-	-	(54,005)	54,005	-
Balance at 31 March 2018		713,911	6,578,496	918,090	(10,259,419)	(2,048,922)
Period ended 31 March 2019:						
Loss and total comprehensive income for the period		-	-	-	(4,177,910)	(4,177,910)
Issue of share capital	11	4,731	3,245,268	-	-	3,249,999
Transfers		-	-	(54,005)	54,005	-
Balance at 31 March 2019		718,642	9,823,764	864,085	(14,383,324)	(2,976,833)

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Origin Broadband Limited is a private company limited by shares incorporated in England and Wales. The registered office is Old Town Hall, Rotherham, S60 1QX.

1.1 Accounting convention

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

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

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

1.2 Going concern

Origin Broadband is exiting the year ended 31 March 2019 with improved cash and reduced losses. The company has removed inefficiency from its bad debt, COS and overhead base to deliver a significantly reduced cash drain position, combined with utilisation of a CVA to improve the balance sheet. The customer base remained stable and resilient throughout this period, with the company exiting the year on a growth trajectory. During the year, the company saw a change of major shareholder as FCFM Group became the majority shareholder.

The company has reviewed the plans and forecasts for the next 12 months. Based on the quality of the existing base and the growth plan in place, the company expects to achieve profitable growth over the next 12 months and maintain the support of their investor in doing so.

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

1.3 Turnover

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

1.4 Intangible fixed assets - goodwill

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

1.5 Tangible fixed assets

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

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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

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

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

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

During the year the accounting estimate for office equipment and furniture changed from reducing balance basis to straight line basis. The depreciation rate remained the same.

1.6 Impairment of fixed assets

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

1.7 Cash at bank and in hand

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

1.8 Financial instruments

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

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

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

Basic financial assets

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

Classification of financial liabilities

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

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

1.9 Equity instruments

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

1.10 Derivatives

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

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

1.11 Taxation

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

Current tax

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

Deferred tax

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

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

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

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

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Share-based payments

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

1.15 Leases

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

1.16 Deferred income and initial customer costs

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

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

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

2 Exceptional (income) / costs

	2019 £	2018 £
Reduction of liabilities resulting from CVA	(2,369,950)	-
Onerous lease charge	575,000	-
Supplier dispute settlement	-	102,848
	<u> </u>	<u> </u>

During the year the company entered a CVA under the direction of Michael Chamberlain of Chamberlain & Co. in an effort to consolidate liabilities and improve the balance sheet. The arrangement covered all trade creditors and sums due to HMRC. The reduction of liabilities totalled £2,369,950 and has been recognised as a credit to the profit and loss account.

During the year the company also vacated their premises at Manvers Business Park, moving to the Old Town Hall in Rotherham in agreement with our investor. This has given rise to a dispute with the previous landlord for which a £575,000 onerous lease provision has been made.

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

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 91 (2018 - 75).

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2018 and 31 March 2019	4,167
Amortisation and impairment	
At 1 April 2018	1,806
Amortisation charged for the year	417
At 31 March 2019	2,223
Carrying amount	
At 31 March 2019	1,944
At 31 March 2018	2,361

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

5 Tangible fixed assets

	Land and buildings leasehold £	Fixtures, fittings & equipment £	Exchange equipment £	Network equipment £	Total £
Cost or valuation					
At 1 April 2018	209,977	267,550	1,589,540	601,809	2,668,876
Additions	110,075	11,277	16,742	122,854	260,948
Disposals	(320,052)	(3,246)	(412)	(401,598)	(725,308)
At 31 March 2019	-	275,581	1,605,870	323,065	2,204,516
Depreciation and impairment					
At 1 April 2018	3,815	85,235	263,328	133,892	486,270
Depreciation charged in the year	17,931	56,945	76,090	221,661	372,627
Eliminated in respect of disposals	(21,746)	(1,714)	-	(238,916)	(262,376)
At 31 March 2019	-	140,466	339,418	116,637	596,521
Carrying amount					
At 31 March 2019	-	135,115	1,266,452	206,428	1,607,995
At 31 March 2018	206,162	182,315	1,326,212	467,917	2,182,606

During the year ended 30 November 2014 the directors of the company personally undertook a revaluation of the equipment sited in exchanges that has an expected lifetime of 20 years. The revaluation is based on replacement cost of the assets in place using industry list prices and the directors knowledge of the equipment. Having performed a similar valuation at the period ended 31 March 2019 the directors believe the revaluation remains appropriate.

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

	2019 £	2018 £
Cost	525,765	509,435
Accumulated depreciation	(105,396)	(83,311)
Carrying value	420,369	426,124

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

6 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	600,165	948,379
Corporation tax recoverable	385,930	522,469
Other debtors	186,834	230,803
Prepayments and accrued income	246,953	878,526
Directors loan accounts	200,092	175,973
Deferred costs	707,608	398,006
	<u>2,327,582</u>	<u>3,154,156</u>
Amounts falling due after more than one year:		
	£	£
Deferred costs	<u>144,092</u>	<u>193,617</u>
Total debtors	<u>2,471,674</u>	<u>3,347,773</u>

7 Creditors: amounts falling due within one year

	Notes	2019	2018
		£	£
Bank loans and overdrafts	9	229,996	203,735
Other borrowings	9	-	130,739
Trade creditors		367,000	4,827,573
Corporation tax		-	4,006
Other taxation and social security		154,227	344,660
Other creditors		1,398,683	2,952
Accruals		377,632	631,187
Deferred income		648,760	1,278,390
		<u>3,176,298</u>	<u>7,423,242</u>

8 Creditors: amounts falling due after more than one year

	Notes	2019	2018
		£	£
Bank and other loans	9	34,702	71,411
Other borrowings	9	3,855,314	10,824
Deferred income		8,283	89,872
		<u>3,898,299</u>	<u>172,107</u>

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

9 Loans and overdrafts

	2019 £	2018 £
Bank loans	81,767	106,211
Bank overdrafts	182,931	168,935
Other loans	3,855,314	141,563
	<u>4,120,012</u>	<u>416,709</u>
Payable within one year	229,996	334,474
Payable after one year	<u>3,890,016</u>	<u>82,235</u>

FCFM Group Limited, Barclays bank and Donbac Limited hold fixed and floating charges over all assets of the company in relation to any and all debts due to the respective institution.

10 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at 1 April 2018	134,900	-	7.84	-
Granted	-	134,900	-	7.84
Forfeited	(134,900)	-	7.84	-
Outstanding at 31 March 2019	<u>-</u>	<u>134,900</u>	<u>-</u>	<u>7.84</u>
Exercisable at 31 March 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Therefore a £nil value for the options was recorded at the 31 March 2018 year end and no adjustment to the profit & loss account for the share based payment was made. Similarly the forfeiture of the options in the current period has had no impact on the profit & loss account.

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
106,800 Ordinary shares of 1p each	1,068	1,068
657,257 B Ordinary shares of 1p each	6,573	1,842
711,001 Deferred shares of £1 each	711,001	711,001
	<u>718,642</u>	<u>713,911</u>

The company has 3 classes of share:

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

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

In May 2018 436,682 B Ordinary shares of £0.01 each were issued and fully paid at a premium of £6.89 per share, for a cash consideration, to fund sales growth and meet working capital requirements.

In May 2018 36,390 B Ordinary shares of £0.01 each were issued and fully paid at a premium of £6.89 per share, for a cash consideration, to meet working capital requirements.

12 Audit report information

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

The auditor's report was qualified and the auditor reported as follows:

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

12 Audit report information

(Continued)

Disclaimer of opinion on financial statements

We were engaged to audit the financial statements of Origin Broadband Limited (the 'company') for the year ended 31 March 2019 which comprise , the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

At the year end the sums owed to the company by its directors totalled £200,092. We were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the recoverability of this asset beyond director's representations to that effect. Accordingly, we have not been able to obtain sufficient appropriate audit evidence on this matter.

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 Standard, 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 qualified opinion.

Emphasis of matter - going concern

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

However from should continued support from investors cease, the company does not have the cash generative ability to continue trading in its current form as well as repay its CVA and intra-group debts.

The senior statutory auditor was Steven Knowles.
The auditor was Knowles Warwick Limited.

13 Financial commitments, guarantees and contingent liabilities

During the period ended 31 March 2018, the company vacated rented premises in Armthorpe. Following the commencement of CVA proceedings a claim has been made by the solicitors of the landlord for dilapidations and costs in excess of £80,000. The company does not view there to be any credible claim and no provision has been made for the claim.

There were no contingent liabilities at the period ended 31 March 2018.

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

14 Operating lease commitments

Lessee

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

2019	2018
£	£
126,874	1,054,577
<u>126,874</u>	<u>1,054,577</u>

15 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases 2019	2018
	£	£
Entities with control, joint control or significant influence over the company	88,950	-
	<u>88,950</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	3,855,314	-
	<u>3,855,314</u>	<u>-</u>

Sums owed to the parent entity are interest free and repayable upon demand.

16 Directors' transactions

Dividends totalling £0 (2018 - £0) were paid in the year in respect of shares held by the company's directors.

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

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Closing balance £
Directors Loan	2.50	175,972	19,016	5,104	200,092
		<u>175,972</u>	<u>19,016</u>	<u>5,104</u>	<u>200,092</u>

The loans made to directors are repayable upon demand.

ORIGIN BROADBAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

17 Parent company

At the year end the company was under the control of FCFM Group Limited, a company registered in England & Wales with registered office at 39 Sloane Street, Knightsbridge, London, England, SW1X 9LP.

The smallest group in which the results of the Company are consolidated is that headed by FCFM Group Limited. The largest group in which the results of the Company are consolidated is that headed by IPGL (Holdings) Limited of 3rd Floor 39 Sloane Street, Knightsbridge, London, United Kingdom, SW1X 9LP. The consolidated financial statements of this group are available to the public and may be obtained from 3rd Floor 39 Sloane Street, Knightsbridge, London, United Kingdom, SW1X 9LP.

18 Non-audit services provided by auditor

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

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