Strictly embargoed until: 07.00, 15th May 2019

Toople PLC

("Toople" or the "Company")

Interim results for the six months ended 31 March 2019

Toople PLC (LSE: TOOP), a provider of bespoke telecom services to UK SMEs, today announces interim results for the six months ended 31 March 2019.

Commenting on the results Richard Horsman Non-Executive Chairman said:

"We continue to add more customers, typically on two year fixed term contracts. Our growing customer base will result in a lower cost of acquisition per customer and will boost our future outlook. We are now seen as a major disruptor in the SME telecommunications space, and we are being benchmarked against by a major tier one UK carrier. Our competitors find our transparency and fixed price contracts unsettling as this clearly appeals to small businesses. The major incumbents have traditionally used 'increase in price' strategies linked to RPI. We offer a product that provides customers with exactly what they need, at a fixed price and are increasingly becoming a natural choice for customers looking for an easy to use, no hidden costs, telecoms service."

Financial and Operational Highlights:

- Group revenue grew year on year by 57% to £1.08m for the six month period
  - 169% revenue growth attributable to our directly contracted SME business
  - Broadband revenue grew by 159%
  - Cloud telephony revenue grew by 82%
  - Mobile revenue grew by 124%
  - 7% decline in wholesale revenue – largely expected as we take action to eliminate legacy, low margin revenue
- Gross profit increased by 150% (up 72% on H2 2018)
- Gross margins improved by 7 percentage points over same period last year
- 80% increase in marketing spend (102% higher than H2 2018) reflecting increased level of spending to grow the business, driving significant increase in lead conversion and sales, which will ultimately lead to a lower cost of acquisition per customer
- New Head of Digital and Commercial Marketing appointed focussed on driving growth, innovation and sales
- Major contract win of £3.5m as previously announced performing in line with expectations and the first batches of customers have been transferred over to the Toople billing platform
- New contract wins and partnership agreements continue, validating management decision to increase marketing spend
- Strong current trading including a record month in April 2019 and a healthy new business pipeline, with over 900 orders in the month from over 600 small businesses placing orders with Toople for the first time
- Cash at period end of £1.15 million in-line with expectations and sufficient to allow business to continue with the growth plan outlined at time of Placing completed in September 2018

Commenting on summary and outlook, Andy Hollingworth, CEO at Toople added:

"This has been an excellent six months for the Company. We continue to execute on our growth strategy and are performing well against all our key operational and financial benchmarks. Our cash position as at 31 March 2019 stood at £1.15m and the Board believes that the current cash position is sufficient to allow the business to continue to pursue the marketing strategy outlined at the time of our Placing. The investments we have made in people and digital marketing are paying off. In our direct business we continue to generate an increased level of enquiries from potential customers and our conversion rate remains strong. Additionally, our decision to move away from onerous historic partnership contracts with high debtor risk and low margin, will sacrifice revenue in the short term, but will deliver overall improvement in gross margins and ultimately profitability. Current trading is strong with another record month in April and a healthy new business pipeline, with over 900 orders in the month from over 600 small businesses placing orders with Toople for the first time. We believe we can still grow our customer acquisition rate with the same level of marketing spend and will be able to drive further efficiencies with our marketing and sales performance. We look forwards with confidence."

This announcement contains inside information for the purposes of Article 7 of the Regulation (EU) No 596/2014 on market abuse.

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For further information please visit www.toople.com or contact:

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About Toople PLC

Toople Plc, a company incorporated in the UK provides a range of telecoms services primarily targeted at the UK SME market. Services offered by the Group include business broadband, fibre, EFM and Ethernet data services, business mobile phones, cloud PBX and SIP Trunking and Traditional Services (calls and lines) all of which are delivered and managed through Merlin, the Group's proprietary software platform.

The Group is differentiated by its focus on creating small business connectivity solutions, with robust and reliable packages that will enhance our customer's companies. In addition, our vision is based on trust and transparency, with no hidden fees within our pricing policy providing customers with a clear understanding of cost.

Toople Plc has a strong and highly experienced Board and management team who are focused on growing the business both organically and by identifying earnings enhancing strategic acquisition opportunities.

Chairman's Statement

Introduction

UK Small and Medium Enterprises (SMEs) continue to switch to Toople and we have seen record numbers of new customers signing up with us. For customers who want certainty and ease of use, Toople is a natural choice. Our fixed rate propositions satisfy all SME telecommunications needs; broadband, cloud telephony and mobile. Our pricing is transparent and we have UK-based support desks offering premium quality customer service, which makes us unique. Our products are flexible and carrier agnostic.

Underlying market dynamics and our product mix change all the time, but we consistently make progress towards becoming the leading provider of fixed price and transparent telecommunication services to UK SMEs. Our customer satisfaction scores are positive, especially when compared to other UK providers. We continue to grow both by adding new customers as well as selling add-ons to existing customers, typically on two-year fixed term contracts, giving us an increasing degree of revenue visibility. Our success is being driven by our digital marketing strategy and the investments we have made in this area are clearly paying off.

Another growth driver for us is our partnership agreements. As previously indicated, we have evaluated this area of our business following the appointment of a new dedicated partner channel manager and following an assessment of our legacy contracts, the majority of which were signed before our IPO. We are now focused on signing new partnership agreements that deliver gross margin improvements. Furthermore, as old contracts come to an end we will either renegotiate them on better terms or else terminate those which provide risk without sufficient reward.

Our growing customer base will result in a lower cost of acquisition per customer and will boost our future outlook, as operational automation further develops and we start to see average revenue per user improve. We are now seen as a major disruptor in the SME telecommunications space, and Toople is being benchmarked against by a major tier one UK carrier. Our competitors find our transparency and fixed price contracts unsettling as this clearly appeals to small businesses. The major incumbents have traditionally used 'increase in price' strategies linked to RPI. We offer a product that provides customers with exactly what they need, at a fixed price and are increasingly becoming a natural choice for customers looking for an easy to use, no hidden costs, telecoms service.

Macroeconomic factors, such as Brexit uncertainty, do not negatively affect Toople; as all our customers are UK SMEs and now, perhaps more than ever, they need our fixed price propositions as it is business critical and it allows full cost visibility.

Our cash position as at 31 March 2019 stood at £1.15m and the Board believes that the current cash position is sufficient to allow the business to continue to pursue the marketing strategy outlined at the time of our Placing that was completed in September 2018. We are on a strong growth trajectory and momentum is with us. As planned, we have increased our marketing spend, which is required to grow the business, but we believe this will lead to a commensurate increase in customer numbers and we have a strategy in both our direct business as well as with our partnership contracts to maintain and improve gross margins, even if this means sacrificing short term revenue growth.

These initiatives and our excellent product offering and customer service will, we believe, ultimately set us on the road to achieve our stated goal of long term future profitability.

Richard Horsman

Non-Executive Chairman

CEO's Review

Overview

In our last six months, we have continued to work hard at further developing the Toople brand and ensuring it is front of mind for SMEs. We have said before that we aim to be disruptive in an industry dominated by old legacy providers who are well known to the market but do not have as attractive an offering as we do. There is proof that these goals are being achieved; a well-known tier one UK provider has recently started using Toople as the number one comparator against which they market their products. Industry benchmarking by an established provider of its pricing and service offering against ours is a clear indicator of how far we have come in a short space of time.

Financial and Operational Performance

Financially and operationally we have exceeded or performed at least in line with all our KPIs. Group revenue grew year on year by an impressive 57% to £1.08m. Revenue growth excluding our wholesale business was even stronger at 169%, justifying our decision to invest in digital marketing and our in-house sales team. The cost of new customer acquisitions is declining and we are generating new incremental business for the Company with existing customers providing an increasing number of orders.

Within our business all our segments improved. Broadband revenue grew by 159%, cloud telephony revenue grew by 82% and mobile revenue grew by 124%. An overall increase in the number of Revenue Generating Units (RGUs) has led to a growth in gross profit, which increased by 150% (up 72% on H2 2018). Gross margins have also improved by 7 percentage points over the same period last year, given the strategic investments which we have made to drive future profitability. Although EBITDA has declined when compared to last year, this is as a result of the continued investment in marketing related activities to grow the business. Our operating loss was £0.8m compared with £0.7m. This performance is in line with our expectations at this stage of the Company's development.

Overall marketing costs increased by 80% (105% higher than H2 2018) reflecting an increased level of spending to grow the business, driving a significant increase in lead conversion and sales, which ultimately will result in a lower cost of acquisition per customer.

The increase in costs from our investment in bringing the sales team in-house and in digital marketing are driving an increase in lead conversion and sales. The majority of these new clients are on two-year fixed contracts, giving us clear visibility of earnings. The major contract win previously announced is performing in line with expectations and the first batches of customers have been transferred over to the Toople Merlin billing and provisioning platform.

As discussed in the Chairman's statement, our legacy contracts have historically delivered low gross margins and our strategy is now to only sign partnership agreements which are more profitable, as well as renegotiating or terminating historic unattractive contracts as they come to an end. As a result we have continued to sign a number of new agreements, but only where we are satisfied that debtor risk is low and margins are attractive. This strategy and the termination of onerous partnership agreements means that in the short term we might see headline revenues decline, but the overall margin mix is improved and this will result in improved gross margin for the business.

Market

The Government continues to expand the availability of superfast broadband. All indications are that the demand of broadband and broadband solutions will grow as more users gain access to high speed fibre networks. We also continue to see an increased demand for cloud based technology solutions which are a key driver for new customer acquisitions.

All our products are delivered and managed through Merlin, the Group's proprietary software platform. Merlin provides an end-to-end automated process that allows customers to place orders easily and enables the business to grow its customer base, without the need to scale expensive resources. This helps support one of our key differentiators - quality of customer service. There continues to be consolidation in our sector, with notable deals recently announced such as the proposed acquisition of KCOM Group for in excess of £500 million who were a major player in the UK SME market. Over time we believe we will have a role to play in this M&A activity.

Customer acquisition and service

Toople's approach to customer acquisition is to deploy a marketing and advertising strategy aimed at delivering high-levels of online market penetration, either directly or via affiliate sites in order to increase brand awareness. The focus is on attracting customers through the quality and transparency of Toople's products and retaining them through their service experience once they are live. This provides opportunities for us to progressively grow the number of solutions they purchase.

Summary and Outlook

Toople propositions continue to be disruptive and competitive in the market. Whether business confidence grows or shrinks, businesses need to remain connected and we offer the best telecommunications technology at a fixed price that will always remain attractive against sluggish incumbents.

This has been an excellent six months for the Company. We continue to execute our growth strategy and are performing well against all our key operational and financial benchmarks. In our direct business we continue to generate an increased level of enquiries from potential customers and our conversion rate remains strong. Additionally, our decision to move away from onerous historic partnership contracts with high debtor risk and low margin, will sacrifice revenue in the short term, but will deliver overall improvement in gross margins and ultimately profitability.

Current trading is strong with another record month in April and a healthy new business pipeline, with over 900 orders in the month from over 600 small businesses placing orders with Toople for the first time. We believe we can still grow our customer acquisition rate with the same level of marketing spend and will be able to drive further efficiencies with our marketing and sales performance. We look forwards with confidence.

Andrew Hollingworth

Chief Executive Officer

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

The Group is subject to a number of risk factors. The Company's prospectus published at the time of its Standard Listing and the further prospectuses published in June 2017 and September 2018 included detailed assessments of the risks facing the business. The Directors have remained cognisant of the following key risks in the first six months of this financial year. Other risk factors not presently known or currently deemed immaterial may also apply.

- The Company is dependent on the ability of the Directors to implement the Company's strategy and significantly increase customer numbers. There is no assurance that the Company's business strategy will ultimately be successful;
- The Group operates in a competitive market and may not be able to sell multiple products to customers;
- The loss of, or inability to attract, key personnel could adversely affect the Group;
- The technology upon which the Group's products and services are based may become obsolete; in particular, the Group is reliant on the technical robustness of its software platform;
- An increase in supplier costs could result in significantly reduced gross profit margins;
- The Group is currently dependent on marketing spend to generate customers. The Group may not be able to acquire customers at a cost that will generate sufficient gross profit margins for the Group, particularly if competition in the market increases;
- The Company may not be able to secure capital to provide working capital for the Group to drive the growth of the business on terms acceptable to the Group, or at all
- The ownership and use of intellectual property by the Group may be challenged by third parties or otherwise disputed;
- From time to time the Group may be subject to complaints or claims in the normal course of business;
- The Company is exposed to the risk that third parties that owe the Group money, securities or other assets may not fulfil their obligations. These parties may default on their obligations due to bankruptcy, lack of liquidity, operational failure or other reasons;
- The Group's performance could be adversely affected by poor economic conditions;
- The Group's infrastructure and systems could be targeted by cyber-attacks;
- The pricing environment in the telecoms industry could become more difficult;
- The UK telecoms market is subject to regulation by Ofcom and subject to high incidence of fraud and bad debt risk;
- New data protection legislation ("GDPR") became effective on 25th May 2018. The Group relies on assurances from its data suppliers that such data is compliant.

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

Responsibility Statement

The Directors are responsible for preparing the Interim Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority ('DTR') and with International Accounting Standard 34 on Interim Financial Reporting (IAS 34).

The Directors confirm that the interim financial statements have been prepared in accordance with IAS 34 and that as required by DTR 4.2.7 and DTR 4.2.8, the Interim Report includes a fair review of:

- important events that have occurred during the first six months of the year;
- the impact of those events on the financial statements;
- a description of the principal risks and uncertainties for the remaining six months of the financial year;
- details of any related party transactions that have materially affected the Company's financial position or performance in the six months ended 31 March 2019; and
- any changes in the related parties transactions described in the last annual report that could have a material effect on the financial position or performance of the enterprise in the first six months of the current financial year.

The Directors who served during the period and up to the date of signing the interim financial statements were:

Richard Horsman
Geoffrey Wilson
Andrew Hollingworth
Kevin Lawrence

Company Secretary:
WKH Company Secretary Services

By Order of the Board
Andrew Hollingworth
Chief Executive Officer
15 May 2019

Condensed Consolidated Statement of Comprehensive Income

The condensed consolidated statement of comprehensive income of the Group for the six month period from 1 October 2018 to 31 March 2019 is set out below.

	NOTE	**Period Ended 31 Mar 2019 £**	Period Ended 31 Mar 2018 £
Continuing operations			
Revenue		**1,084,078**	689,769
Cost of Sales		**(876,584)**	(606,816)
Gross Profit		**207,494**	82,953
Other Income		**51,715**	50,891
Administrative expenses		**(1,077,698)**	(821,788)
Operating loss		**(818,489)**	(687,944)
Interest payable and similar charges		**(29,225)**	(26,455)
Interest receivable		**4,135**	366
Loss before taxation		**(843,579)**	(714,033)
Taxation		**-**	-
Loss for the period		**(843,579)**	(714,033)
Other comprehensive loss for the period		**-**	-
Total comprehensive loss for the period attributable to the equity owners		**(843,579)**	(714,033)
Earnings per share			
Basic and diluted earnings per share	*5*	**(0.09)**	(0.35)

Condensed Consolidated Statement of Financial Position

The condensed consolidated statement of financial position as at 31 March 2019 is set out below:

	NOTE	**As at 31 Mar 19 £**	As at 30 Sep 18 £
ASSETS			
Non-current assets			
Intangible Assets		**84,271**	42,375
Current assets			
Trade and other receivables		**456,366**	301,415
Cash and cash equivalents		**1,147,509**	2,144,209
		1,603,875	2,445,624
Total assets		**1,688,146**	2,487,999
EQUITY and LIABILITIES			
Capital and reserves attributable to equity shareholders			
Share capital	*6*	**636,572**	636,572
Share premium		**4,921,145**	4,923,336
Merger reserve		**(25,813)**	(25,813)
Share-based payment reserve		**255,099**	255,099
Capital contribution reserve		**5,014**	34,239
Accumulated deficit		**(5,275,487)**	(4,461,133)
Total equity		**516,530**	1,362,300
Current liabilities			
Trade and other payables	*7*	**570,289**	553,597
Non-current liabilities			
Financial liabilities - borrowings		**601,327**	572,102
Total equity and liabilities		**1,688,146**	2,487,999

Condensed Consolidated Statement of Changes in Equity

The unaudited condensed consolidated statement of changes in equity of the Group for the period to 31 March 2019 is set out below:

	Share capital	Share premium	Merger reserve	Share Based Payment reserve	Capital contribution Reserve	Accumulated deficit	Total
CURRENT YEAR	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Brought forward at 1 October 2018	636,572	4,923,336	(25,813)	255,099	34,239	(4,461,133)	1,362,300
Loss for the period	-	-	-	-	-	(843,579)	(843,579)
Total comprehensive loss for the period	-	-	-	-	-	(843,579)	(843,579)
Transactions with owners							
Additional share issue costs	-	(2,191)	-	-	-	-	(2,191)
Transfer of interest accrued	-	-	-	-	(29,225)	29,225	-
At 31 March 2019	**636,572**	**4,921,145**	**(25,813)**	**255,099**	**5,014**	**(5,275,487)**	**516,530**

	Share capital	Share premium	Merger reserve	Share Based Payment reserve	Capital contribution Reserve	Accumulated deficit	Total
PRIOR PERIOD	**£**	**£**	**£**	**£**	**£**	**£**	**£**
Brought forward at 1 October 2017	117,084	3,261,279	(25,813)	114,417	88,499	(3,289,350)	266,116
Loss for the period	-	-	-	-	-	(714,033)	(714,033)
Total comprehensive loss for the period	-	-	-	-	-	(714,033)	(714,033)
Transactions with owners							
Share-based payment charge credited to equity	-	-	-	31,575	-	-	31,575
Issue of share capital net of share costs	18,927	258,577	-	-	-	-	277,504
Transfer of interest accrued	-	-	-	-	(26,455)	26,455	-
At 31 March 2018	**136,011**	**3,519,856**	**(25,813)**	**145,992**	**62,044**	**(3,976,928)**	**(138,838)**

Condensed Consolidated Statement of Cash Flows

The condensed consolidated cash flow statement of the Group from 1 October 2018 to 31 March 2019 is set out below:

	Period ended 31 Mar 2019	Period ended 31 Mar 2018
	£	£
Cash flows from operating activities		
Operating loss	**(818,489)**	(687,944)
Depreciation and amortisation	**7,404**	4,450
Share-based payment charge	**-**	31,575
Changes in working capital		
Increase in receivables	**(154,951)**	(66,353)
Increase / (decrease) in payables	**16,692**	(6,322)
Net cash outflow from operating activities	**(949,344)**	(724,594)
Cash flows from financing activities		
Proceeds from issues of share capital (net of issue costs)	**(2,191)**	277,504
Finance costs	**-**	-
Net cash from financing activities	**(2,191)**	277,504
Cash flows from investing activities		
Acquisition of intangible assets	**(49,300)**	-
Interest received	**4,135**	366
Net cash from investing activities	**(45,165)**	366
Net increase in cash and cash equivalents	**(996,700)**	(446,724)
Cash and cash equivalents at start of year	**2,144,209**	820,767
Cash and cash equivalents at end of year	**1,147,509**	374,043

Notes to the Condensed Consolidated Interim Report

1. GENERAL INFORMATION

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

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

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

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

2. BASIS OF PREPARATION

The interim, condensed, unaudited financial statements for the period ended 31 March 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at the year ended 30 September 2018. The results for the period ended 31 March 2019 are unaudited.

The condensed unaudited consolidated financial statements for the period ended 31 March 2019 have adopted accounting policies consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2018.

The Group is not subject to seasonal fluctuations in operations

The Board have considered the impact of first time adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from Contracts with Customers". No impact, other than disclosure, is considered to have arisen.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgments is included together with information about the basis of calculation for each affected line item in the financial statements.

The area involving significant estimates or judgments is:

- Going concern

  At 31 March 2019 the Group had £1,147,509 of cash and net assets of £1,033,586 excluding the non-current liability owed to a shareholder that (at the option of the company) is not payable until 2019, and then only at the Boards discretion with reference to liquidity of the business.

The going concern basis of accounting has been applied based on management's consideration of financial projections and business plan for the business. These include a number of forward looking assumptions about the future growth in the customer base.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectation of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

4. BUSINESS SEGMENTS

For the purpose of IFRS 8 the chief operating decision maker ("CODM") is the Board of Directors. The Directors are of the opinion that the business comprises a single economic activity, being the provision of telephony services and that currently this activity is undertaken solely in the United Kingdom. All of the income and non-current assets are derived from the United Kingdom. The Company has a single customer that, in the reporting period, amounted to more than 10% of the Company's revenue; revenue generated from this customer amounted to £277,309. At meetings of the Directors, income, expenditure, cash flows, assets and liabilities are reviewed on a whole Group basis. Based on the above considerations there is considered to be one reportable segment only, namely telephony services.

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

5. Earnings per share

The calculation of earnings per share is based on the following loss and number of shares:

	Period Ended 31 Mar 2019 £	Period Ended 31 Mar 2018 £
Loss for the year from continuing operations	**(843,579)**	(714,033)
Weighted average number of shares in issue	**954,380,559**	203,913,894
Basic and diluted earnings per share	**(0.09p)**	(0.35p)

As detailed in note 1, the consolidated financial statements present the combination as a continuation of the combined financial information of the Subsidiaries with no goodwill arising on the transaction. Basic loss per share is calculated by dividing the loss for the period from continuing operations of the Company by the number of ordinary shares in issue during at the period end.

The Company has in issue 40,997,291 warrants at 31 March 2019. The inclusion of the warrants in the number of shares in issue would be anti-dilutive and therefore they have not been included.

6. SHARE CAPITAL

	2019		2018	
	No.	**£**	No.	£
Allotted and fully paid				
Ordinary shares	**954,380,559**	**636,572**	203,913,894	136,010

	Ordinary shares	Share Capital	Share Premium
	No.	**£**	**£**
Share capital			
At 1 October 2018	954,380,559	636,572	4,921,336
Additional share issue costs	-	-	(2,191)
At 31 March 2019	**954,380,559**	**636,572**	**4,921,145**

On incorporation, the Company had an unlimited authorised share capital and an issued share capital of 36,000,000 ordinary shares of par value 0.0667 pence each.

At 30 September 2016 the Company had 100,000,000 ordinary 0.0667p shares in issue, being 36,000,000 issued on incorporation, 39,000,000 shares were issued on 15 April 2016 to David Breith in accordance with the terms of the share exchange agreements in relation to the acquisition of the subsidiaries and 10 May 2016 following the Company's listing on the London Stock Exchange, 25,000,000 ordinary shares of par value 0.0667 pence each were issued, fully paid at £0.08 per share. A commission of £80,000 was payable to the brokers at the time and this has been recognised against the share premium account.

On 12 June 2017 the Company placed 70,537,732 ordinary 0.0667p shares at a subscription price of 2p per share. Commissions of £72,200 were payable to the brokers at the time and this has been recognised against share premium. At the same time the Company issued 5,000,000 shares at the same subscription price to Directors of the Company to settle £100,000 of unpaid fees owed to them.

On 8 March 2018 the company placed 24,462,268 ordinary 0.0667p shares at a subscription price of 1.022p per share. Commissions of £12,500 were payable to the brokers at the time and this has been recognised against share premium. At the same time the Company issued 3,913,894 shares at the same subscription price to the brokers of the Company to settle £40,000 of fees owed to them.

On 25 September 2018 the Company placed 733,333,333 ordinary 0.0667p shares at a subscription price of 0.3p per share. Commissions of £165,000 were payable to the brokers at the time and this has been recognised against share premium. At the same time the Company issued 17,133,332 shares at the same subscription price to the Directors of the Company to settle £51,400 of unpaid fees owed to them.

Warrants

On 10 May 2016 following the Company's listing on the London Stock Exchange, the Company issued warrants over 8,100,000 ordinary shares as follows:

- 3,000,000 warrants to the Non-Executive Directors to subscribe for one new ordinary share at £0.08 per share at any time during the period commencing on the second anniversary of Admission ("Vesting Date") and at the second anniversary of the Vesting Date, a vesting condition of the warrants was that the holder is a Director of the Company on the date of vesting;

- 5,000,000 warrants to the subscribers to the placing to subscribe for one new ordinary share at £0.16 per share at any time during the period commencing on admission and expiring at midnight on the second anniversary thereof save that in the event that the closing price of the ordinary shares is equal to or in excess of £0.24 pence for 10 consecutive trading days then the Company may serve notice on the warrant holders requesting that they exercise their warrants within 14 days in lieu of which they shall lapse; and

- 100,000 warrants to Cairn Financial Advisers to subscribe for one new ordinary share at £0.08 per share at any time during the period commencing on admission and expiring at midnight on the second anniversary thereof

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on a winding up). The ordinary shares do not confer any rights of redemption.

The fair value of the 3,000,000 warrants issued to the Non-Executive Directors and of the 100,000 warrants issued to Cairn Financial Advisers have been determined using the Black-Scholes option pricing model. The fair value at the date of grant per warrant was £0.04 for the 3,000,000 tranche and £0.03 for the 100,000 tranche. The fair value of the warrants issued to the Non-Executive Directors has been charged to the income statement evenly over the vesting period resulting in a charge in the current period of £NIL (2017: £63,150). The fair value of the warrants issued to Cairn Financial Advisers of £3,080 has been included in the costs of the Company's placing and therefore debited to share premium in the prior year.

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

Warrants granted	3,100,000
Stock price	8p
Exercise price	8p
Risk free rate	1%
Volatility	70%
Time to maturity	4 years/2 years

The Company listed on the main market of the London Stock Exchange on 10 May 2016. It is difficult to calculate the expected volatility of its share price at the year end. Management have therefore considered volatility of listed entities in similar operating environments to calculate the expected volatility.

The fair value of the 5,000,000 warrants issued to subscribers to the placing is considered to comprise a component of the fair value of the ordinary shares issued in the placing. The Directors do not consider the fair value of the warrants to be a material component of the fair value of the shares issued in the placing.

On 20 June 2017 the Company issued 3,230,625 warrants advisers to the company to subscribe for one new ordinary share at £0.02 per share at any time from the date of issue to the third anniversary of date of issue.

The inputs to the Black Scholes model were as follows:

Warrants granted	3,230,625
Stock price	2p
Exercise price	2p
Risk free rate	1%
Volatility	70%
Time to maturity	3 years

On 25 September 2018 the Company issued 34,666,666 warrants as follows:

- 1,666,666 warrants to advisers to the Company to subscribe for one new ordinary share at £0.003 per share;
- and 33,000,000 warrants to advisers to the Company to subscribe for one new ordinary share at £0.005 per share at any time from the date of issue to the third anniversary of date of issue.

The inputs to the Black Scholes model were as follows:

Warrants granted	34,666,666
Stock price	0.31p
Exercise price	0.3/0.5p
Risk free rate	0.83%
Volatility	271%
Time to maturity	2 years

The fair value of the warrants was £101,661 and this was recognised in share premium on the basis they were issued for services relating to the placing.

At 31 March 2019, warrants for 40,997,291 new Ordinary Shares in the Company were in issue.

7. TRADE AND OTHER PAYABLES

	As at 31 Mar 19 £	As at 30 Sep18 £
Trade payables	**319,183**	304,527
Social Security and other taxes	**58,658**	35,576
Other payables	**22,613**	22,613
Accruals and deferred income	**169,835**	190,881
	570,289	553,597

	2019 £	2018 £
Non – current liabilities		
Shareholder loan account	**601,327**	572,102

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

On 3 May 2016, the Company put in place formal documentation relating to the balance owed to David Breith, the majority shareholder. The balance cannot be recalled by the shareholder until the third anniversary of the agreement and after this anniversary only repayable if the board consider the Company in a position to service the debt. Therefore, the balance has been classified as non-current in the financial statements.

The loan is interest free and has a cash value of £606,756, the Directors consider the market rate of interest that they may be able to obtain for a similar borrowing from a 3rd party to be 10%. The present value of the loan is £601,327 and the present value adjustment has been recognised as a capital contribution within equity. The value of the interest that has been recognised in the statement of comprehensive income at 31 March 2019 is £29,255.

8. RELATED PARTY TRANSACTIONS

	6 months to 31 Mar 19	6 months to 31 Mar 18
	£	£
Goods/services purchased from Vitrx Limited	**3,801**	5,843
Goods/services purchased from Dotfusion Limited	**39,120**	30,330
Goods/services purchased from Highlees Consulting Limited	**-**	-
Goods/services purchased from KBL Consulting Limited	**16,450**	-
Goods/services supplied to Vitrx Limited	**4,1469**	5,481
	63,540	41,655

The companies, Vitrx, Diffrenet & Dotfusion are disclosed as related parties due to the nature of the business relationship with Mr David Breith, who was a major shareholder of Toople PLC until July 2018. Mr David Breith is a Director or co-owner of the above companies, excluding Dotfusion. Vitrx Limited was a related party for five months of the previous period, as David Breith resigned as director of Vitrx Limited on 19 February 2018.

Mr Piotr Kwiatkowski is the owner of Dotfusion and is a shareholder in Toople PLC.

Mr Richard Horsman is the owner of Highlees Consulting Limited and is a shareholder in Toople Plc and non-executive Chairman.

Mr Kevin Lawrence is the owner of KBL Consulting Limited and is a shareholder in Toople Plc and Chief Financial Officer.

9. SUBSEQUENT EVENTS

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