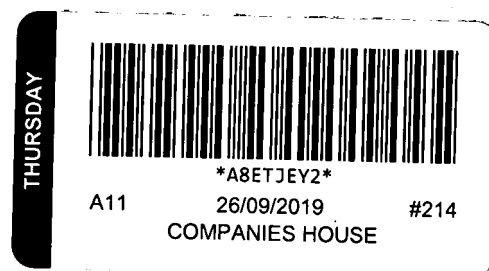




Registered No. 3958038

TUNGSTEN NETWORK LIMITED

**Annual report and financial statements for the year ended
30 April 2019**





Annual report and financial statements for the year ended 30 April 2019

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Directors and advisers

Directors

David Williams

Patrick Clark

Company Secretary and Registered Office

Patrick Clark

Pountney Hill House

6 Laurence Pountney Hill

London

EC4R 0BL

Independent auditors

PricewaterhouseCoopers LLP

1 Embankment Place

London

WC2N 6RH

Bankers

HSBC Bank Plc

69 Pall Mall

London

SW1Y 5E

Company registration number

3958038

Incorporated on:

28 March 2000



Strategic report

The directors present their strategic report on Tungsten Network Limited ('the Company') for the year ended 30 April 2019.

Business highlights

Revenue grew 9% to £17.9 million. This was split £11.2 million from supplier revenues (FY18: £10.4 million) and £6.7 million from buyer revenue (FY18: £6 million).

Buyer revenues represented 37% of total Tungsten Network revenues in the 2019 financial year (FY18: 37%). Total Buyer revenues grew 10% to £6.7 million (FY18: £6.0 million). Supplier revenues represented 63% of total Tungsten Network revenue in the 2019 financial year (FY18: 63%). Total Supplier revenues grew 9% to £11.2 million (FY18: £10.3 million).

The Company's operating expenses increased by 14% to £20.6 million (FY18: £18.1 million). The increase is mainly due to loss on disposal of assets of £2.2 million as a result of the decision to write-off the development work in relation to integration of Customer Relations Management systems, loss allowance of £2.0 million with the adoption of IFRS 9 and share based payment expenses of £0.3 million.

Principal activities

Tungsten Network Limited (the 'Company') is a wholly owned subsidiary of Tungsten Corporation plc, a company listed on the Alternative Investment Market in the UK.

The principal activity of the Company in the year under review was the provision of electronic invoice delivery (e-invoicing) and other related services, trading under the name Tungsten Network. Tungsten Network operates a secure e-invoicing platform that brings businesses and their suppliers closer together with unique technology that revolutionises invoice processing, maximises efficiency and improves cash flow management. It simplifies and streamlines the complex invoice-to-pay process, offering legal and tax compliant invoicing across multiple jurisdictions. Buyers can reduce invoice processing costs by 60%, while suppliers gain efficiencies and peace of mind from greater visibility of the status of their invoices, including payment date.

Results and dividends

The results for the year are set out in the Statement of comprehensive income on page 11.



Strategic report - continued

Principal risks and uncertainties

Business Risks

a) Service Continuity Risk

The activities of the Company place significant reliance upon systems and technology. A significant down-time could affect service levels and result in financial penalties and loss of reputation. The Company has effective and efficient back up procedures and business continuity plans in place to mitigate this risk, and these are regularly updated.

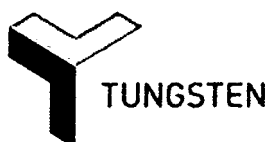
b) Tax Compliance Risk

The Company ensures that invoices that are processed through our network will be compliant with applicable local tax laws. These tax laws are subject to change and the Company has increased the number of available territories for compliant invoice processing on the network each year. As such, a risk exists that invoices may not be processed in a wholly tax compliant way in a particular country. The Company engages professional, external tax advisers to provide regular country level advice in order to minimise the risk of non tax compliant processing of invoices.

c) Data Protection and Cyber Security Risk

Mitigating cyber attack is of paramount importance to the Company to ensure customer confidence in the security and availability of our products and services. The Company conducts a comprehensive review of procedures and controls as follows:

- Annual International Standards for Assurance Engagement (ISAE) 3402 Assurance Reports on Controls at a Service Organisation.
- Annual independent ISO 27001 certification, the international standard describing best practice for an Information Security Management System.



Strategic report - continued

Financial Risks

a) Credit Risk

The Company has no significant concentrations of credit risk. The Company has policies in place to ensure that sales of services are made to clients with an appropriate credit history. Cash and cash equivalents are held with reputable institutions.

b) Foreign Exchange Risk

The Company operates with US, Malaysian, German, Swiss, Mexican, Bulgarian and Indian subsidiary companies and makes sales in foreign currencies and is therefore exposed to foreign exchange risk arising from currency exposure. The Company uses foreign currency bank accounts to reduce its exposure to foreign currency translation risk.

c) Liquidity Risk

The Company is still in the growth phase of its life cycle, hence is dependent on funding from its parent to mitigate liquidity risk. The Company manages this risk through the preparation and regular review of cash flow forecasts.

ISAE 3402 audit

International Standard on Assurance Engagements (ISAE) No. 3402, Assurance Reports on Controls at a Service Organisation, was issued by the International Auditing and Assurance Standards Board (IAASB), which is part of the International Federation of Accountants (IFAC). ISAE 3402 was developed to provide an international assurance standard for allowing professional accounting firms to issue a report for use by user organisations and their auditors (user auditors) on the controls at a service organisation that are likely to impact or be a part of the user organisation's system of internal control over financial reporting. This standard became effective from 15 June 2011.

PricewaterhouseCoopers LLP has recently completed an ISAE 3402 audit in August 2019 for Tungsten Network Limited that covering the audit period from 3 June 2018 – 31 May 2019. The report contains a description of the various controls which we have in place to meet the stated control objectives – things our clients would want us to control and how we do that. For example, how we ensure their data is secure and that their invoices successfully flow through the system. The report is a Type II Report which includes an independent auditors' opinion regarding the design and operating effectiveness of Tungsten Network Limited controls. More information is available on the parent company's website.

On behalf of the board

David Williams
Director

17 September 2019



Directors' report

The Directors present their report and the audited financial statements of Tungsten Network Limited (the 'Company') for the financial year ended 30 April 2019. The Company forms part of a group whose ultimate parent company is Tungsten Corporation plc (the 'Tungsten Group').

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

David Williams
Patrick Clark

Results and Dividends

The loss before taxation for the year was £2.9 million (2018: £1.6 million). No dividends were proposed or paid (2018: nil).

Qualifying third party indemnity provision

In accordance with the Companies Act 2006 and the Company's Articles of Association, the Company has purchased Directors' and Officers' Liability Insurance, which remains in place at the date of this report. The Company reviews its insurance policies on an annual basis in order to satisfy itself that its level of cover remains adequate.

Future developments

We continue to connect growing numbers of customers to each other, enhancing the interconnectedness of our network. Through our newly created Digital Command Centre we will continue to segment our customer base to actively engage with them.

Growing the number of connected suppliers remains a key factor in the development of the business. This involves working closely with our buyer customers to help them identify where they can further benefit from digitising their accounts payable processes and then supporting them in the change management required to deliver this. Many of our buyer customers want to grow in this way with our support, with the challenge always being the timing of delivering this growth.

The Company is now focused on new customer acquisition and new product sales into our existing customer base while continuing with the success of pricing our services to reflect the value that we provide. Continued reshaping of the cost base through increased automation and the relocation of resources and developing a Return on Investment (ROI) based approach.

Financial risk management

The Company's objectives and policies on financial risk management including information on the exposure of the Company to credit risks, foreign exchange risks and liquidity risks are set out in the Company's principal risks and uncertainties section of the Strategic report on page 3.



Directors' report – continued

Going concern

The Company owns the intellectual property of the e-invoicing product, and as the provider of the majority of staff which supports the e-invoicing product. To support effective management of working capital, the company has secured a £4 million revolving credit facility with HSBC, see note 17. Therefore, these financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Directors' Indemnity

The Company provides that in certain circumstances the Directors are entitled to be indemnified out of assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Indemnity provisions have been in force during the financial year and also at the date of approval of the financial statements. These indemnity provisions have not been utilised by the directors.

Statement of Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.



Directors' report – continued

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which Tungsten Network Limited's auditors are unaware; and each director has taken all the steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that Tungsten Network Limited's auditors are aware of that information.

Independent Auditors

The Board intends to appoint BDO LLP to become the Company's external auditors and PricewaterhouseCoopers LLP will be stepping down.

There are no contractual restrictions on the choice of external auditors and therefore a resolution proposing the appointment of BDO LLP as external auditors will be proposed at the next annual general meeting.

On behalf of the board

A handwritten signature in black ink, appearing to be 'David Williams', written over a horizontal line.

David Williams
Director
17 September 2019



Independent auditors' report to the members of Tungsten Network Limited

Report on the audit of the financial statements

Opinion

In our opinion, Tungsten Network Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 April 2019; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.



Independent auditors' report to the members of Tungsten Network Limited - continued

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 30 April 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.



Independent auditors' report to the members of Tungsten Network Limited – continued

Responsibilities for the financial statements and the audit – continued

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Brian Henderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

17 September 2019



Statement of comprehensive income

		Year ended 30 April 2019	Year ended 30 April 2018
	Note(s)	£'000	£'000
Revenue		17,899	16,395
Operating expenses	4	(20,639)	(18,095)
Operating loss		(2,740)	(1,700)
EBITDA		3,764	(166)
Depreciation and amortisation	10,11	(1,755)	(317)
Foreign exchange (loss)/gain		(66)	53
Exceptional items	6	(194)	(1,270)
Loss on disposal of assets	11	(2,216)	-
Loss allowance	13	(1,976)	-
Share based payment expense		(297)	-
Operating loss		(2,740)	(1,700)
Finance income	8	1,202	1,573
Finance costs	8	(1,314)	(1,520)
Net finance (costs)/income		(112)	53
Loss before taxation		(2,852)	(1,647)
Taxation	9	1,513	328
Loss and total comprehensive expense for the year		(1,339)	(1,319)

The activities of the Company are all derived from continuing operations.

The above statement of comprehensive income should be read in conjunction with the accompanying notes.



Statement of financial position

		As at 30 April 2019 £'000	As at 30 April 2018 Restated* £'000
	Note		
Non-current assets			
Property, plant and equipment	10	153	198
Intangible assets	11	8,645	10,651
Investments in subsidiaries	12	69	69
Total non-current assets		8,867	10,918
Current assets			
Trade and other receivables	13	44,654	41,696
Cash and cash equivalents	14	1,088	1,698
Total current assets		45,742	43,394
Total assets		54,609	54,312
Capital and reserves attributable to the equity shareholders			
Share capital	15	41	41
Share premium		48,787	48,787
Share-based payment reserve		297	-
Other reserves		528	528
Accumulated losses		(62,959)	(61,620)
Total equity		(13,306)	(12,264)
Non-current liabilities			
Provisions	16	20	-
Total non-current liabilities		20	-
Current liabilities			
Trade and other payables	17	66,788	65,937
Provisions	16	107	639
Borrowings	19	1,000	-
Total current liabilities		67,895	66,576
Total liabilities		67,915	66,576
Total equity and liabilities		54,609	54,312

*See note 2(a) for details of restatement due to changes in accounting policy.

The notes on pages 14 to 35 are an integral part of these financial statements.

The financial statements on pages 11 to 35 were authorised for issue by the Board of Directors on 17 September 2019 and were signed on its behalf by:

David Williams
Tungsten Network Limited
17 September 2019



Statement of changes in equity

	Share capital £'000	Share premium £'000	Share- based payment reserve £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
At 1 May 2018	41	48,787	-	528	(61,620)	(12,264)
Loss and total comprehensive expense	-	-	-	-	(1,339)	(1,339)
Share based payment expense	-	-	297	-	-	297
At 30 April 2019	41	48,787	297	528	(62,959)	(13,306)

	Share capital £'000	Share premium £'000	Share- based payment reserve £'000	Other reserves £'000	Accumulated losses £'000	Total equity £'000
At 1 May 2017	41	48,787	-	528	(60,301)	(10,945)
Loss and total comprehensive expense	-	-	-	-	(1,319)	(1,319)
Share based payment expense	-	-	-	-	-	-
At 30 April 2018	41	48,787	-	528	(61,620)	(12,264)

The above statement of changes in equity should be read in conjunction with accompanying notes.



Notes to the financial statements for the year ended 30 April 2019

1. General information

Tungsten Network Limited (the Company) is a private limited company, which is incorporated in the UK under the Companies Act 2006. The address of its registered office is Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL.

The nature of the Company's operations and its principal activities are set out on page 2.

2. 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 the years presented, unless otherwise stated.

Basis of preparation

The financial statements of Tungsten Network Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and with those parts of the Companies Act 2006 which are applicable to companies reporting under FRS 101. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared under the historical cost convention, except for assets and liabilities measured at fair value under IFRS 9.

The financial statements have been prepared on a going concern basis. The ability of the company to continue as a going concern is contingent on the ongoing viability of the company. The company meets its day-to-day working capital requirements through its cash balances and also has a bank facility that it can use. The current economic conditions continue to create uncertainty, particularly over (a) foreign exchange rates; and (b) the level of new sales to new customers. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company expects to be able to operate within the level of its current cash resources without further use of its bank facilities. Having assessed the principal risks and the other matters discussed in connection with the viability statement, the directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements. Further information on the company's borrowings and available facilities is given in note 17 to these financial statements.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimate are significant to the financial statements are disclosed in note 3.

Notes to the financial statements for the year ended 30 April 2019 - continued

2. Significant accounting policies – continued

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements';
 - 10(d), (statement of cash flows);
- IAS 7, 'Statement of cash flows';
- IFRS 7, 'Financial Instrument: Disclosures';
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective;
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 May 2018:

- IFRS 15, 'Revenue from Contracts with Customers';
- IFRS 9, 'Financial Instruments';
- Classification and Measurement of Share-based Payment Transactions – Amendments to IFRS 2.

a) IFRS 15 'Revenue from Contracts with Customers'

The company has changed its accounting policies and has made certain retrospective adjustments in the statement of financial position as a result of adopting IFRS 15. There is no material impact to the income statement.

The company adopted IFRS 15, 'Revenue from Contracts with Customers' on 1 May 2018 using the modified retrospective method applied to the contracts in force on the date of adoption. For this reason, the accounting policy applied as of said date, is not comparable to that used for the year ended 30 April 2018.

The statement of financial position has been adjusted by offsetting trade receivables in relation to certain contracts against contract liabilities where services have not yet been provided and amounts are not yet due.

Notes to the financial statements for the year ended 30 April 2019 - continued

2. Significant accounting policies - continued

The following table summarises the impact of adopting IFRS 15 on the Company's statement of financial position as at 30 April 2018.

Balance Sheet (extract)

	As at 30 April 2018 original presentation	IFRS 15 Adjustment	As at 30 April 2018 restated
	£'000	£'000	£'000
Current assets			
Trade receivables	4,132	(1,472)	2,660
Current liabilities			
Contract liabilities ¹	4,702	(1,472)	3,230

¹ Contract liabilities were previously referred to as deferred income and are amounts collected ahead of services being delivered.

b) IFRS 9 'Financial Instruments'

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and a new impairment model for financial assets.

With the adoption of IFRS 9, the company is required to assess the impairment of financial assets based on expected credit losses rather than losses incurred.

The expected credit losses on these financial assets are estimated from the initial recognition of the asset at each reporting date, using as a reference the past experience of the credit losses, adjusted for factors that are specific to the debtors or groups of debtors, the general economic conditions and an assessment of both, the current management and the forecast of future conditions.

On 1 May 2018, the company reassessed its current impairment model in accordance with the guidelines.

The company concluded that the impairment assessment process for trade receivables was appropriate and aligned with IFRS 9. Therefore, no revision to impairment loss assessment process is required. The main impact of IFRS 9 arises from the implementation of the expected credit loss model regarding intercompany loan and balances.



Notes to the financial statements for the year ended 30 April 2019 - continued

2. Significant accounting policies - continued

Revenue recognition

The Company derives revenue from the following sources:

- Initial set up fees;
- Annual subscription fees, which includes the right to use the Tungsten platform, including ongoing customer support and relevant upgrades to the platform as required; and
- Transaction fees which are based on the number of transactions the customer undertakes.

The Company's contractual arrangements contain multiple deliverables or services such as the implementation or initial set up services, which generally do not involve customisation of the Tungsten Network platform, support services which includes call centre assistance and maintenance services and transaction fees.

The Company assesses whether there are distinct performance obligations at the start of each contract and throughout the performance of the initial set up services, support and maintenance periods and on delivering transaction services.

The Company has identified the following separate performance obligations:

- Initial set up services – The initial set up services do not require additional development or customisation to the Tungsten Network platform and could be performed by an external third party. The transaction price is allocated based on the stand-alone selling price, derived from list prices and recognised over time, based on the effort incurred, but limited to the amount to which the Company has a right to payment. The percentage of completion basis is used because the customer receives and uses the benefits simultaneously. Estimates of revenues, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases are reflected in the income statement in the period in which the change of assumptions arise.
- Periodic right to use the Tungsten Network platform – In the event that the annual subscription fees contain a right to use the platform, there is a right to use element. If there is a right of clawback on the annual right to use, such amounts are recognised throughout the period. Where there is no right of clawback, the annual right to use is recognised in full when there is a right of collection and collection is relatively assured.
- Support services – This represents the stand-alone selling price of the ongoing support and maintenance, which is recognised throughout the period as services are delivered.
- Transaction fees – This represents the stand-alone selling price of the individual transaction at the point in time the customer transacts. If there is evidence that transactions sold, and invoiced, will not be delivered, the revenue is recognised immediately in the income statement.

Revenue related to contract liabilities

Revenue related to contract liabilities is revenue invoiced to customers where the relevant performance obligation has not been delivered.



Notes to the financial statements for the year ended 30 April 2019 - continued

2. Significant accounting policies - continued

Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Leased assets

Leases under which the Company assumes substantially all the risks and rewards of ownership of an asset are classified as finance leases. Property, plant and equipment acquired under finance leases are recorded at fair value or, if lower, the present value of minimum lease payments at inception of the lease, less depreciation and any impairment.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in the other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term. The estimated useful lives are as follows:

Fixtures and fittings	25% on cost – straight line basis
Computer equipment	20%-50% on cost – straight line basis

The residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Notes to the financial statements for the year ended 30 April 2019 - continued

2. Significant accounting policies – continued

Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use
- Management intends to complete the software product and use or sell it
- There is an ability to use or sell the software product
- It can be demonstrated how the software product will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available
- The expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed seven years. Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software costs are amortised over their estimated useful lives, which does not exceed five years.



Notes to the financial statements for the year ended 30 April 2019 – continued

2. Significant accounting policies – continued

Taxation

Income tax for the years presented comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of other assets or liabilities that affect neither accounting nor taxable profit; nor differences relating to investments in subsidiaries to the extent that they are unlikely to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Research and development

Research and development costs relate to staff and external costs incurred in developing the 'Tungsten Network' software platform. If the costs meet the definition of development costs under IAS 38 Intangible Assets, they are capitalised and amortised over the useful economic life of the software. All other research and development costs are expensed as incurred.



Notes to the financial statements for the year ended 30 April 2019 – continued

2. Significant accounting policies – continued

Trade and other receivables

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. Due to their short-term nature, the carrying value of current receivables is considered to be same as the fair value.

The Company applies IFRS 9's simplified approach to measuring expected credit losses which uses a lifetime expected loss approach for all trade receivables.

To measure the expected credit losses, trade receivables have been analysed based on the days past due. The expected loss rates are based on the payment profiles of sales over a period of 12 months before the relevant balance sheet date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade and other payables

Trade and other payables are initially stated at fair value and subsequently measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months.

Employee benefits defined contribution plans

The Company pays contributions to publicly or privately administered pension plans. The Company has no further payment obligations once the contributions have been paid. Contributions are recognised in the income statement as an employee benefit expense in the period when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

The ultimate Parent Company issues equity-settled and cash-settled share-based awards to certain employees. The fair value of share-based awards is determined based on the Black-Scholes model at the date of grant and expensed, based on the Company's estimate of the shares that will eventually vest, over the vesting period with a corresponding increase in equity. At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest based on service and other non-market performance conditions. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest, save for changes resulting from any market-related performance conditions.

Equity-settled share-based payments are recognised as an expense in the income statement with a corresponding credit to share option reserve. Cash-settled share-based payments are recognised as an expense in the income statement with a corresponding credit to liabilities.



Notes to the financial statements for the year ended 30 April 2019 – continued

2. Significant accounting policies – continued

Finance income and costs

Finance costs comprise interest payable on borrowings, interest expense on unwinding of discount on deferred income, direct issue costs and foreign exchange losses. Finance income comprises interest receivable on funds invested, and foreign exchange gains. Interest income and expenses are recognised on a time apportioned basis, using the effective interest method.

Exceptional items

Items which are material or unusual in nature and size are separately disclosed on the face of statement of comprehensive income.

Share capital

Ordinary shares are classified as equity.

Investments in subsidiaries

Investments in subsidiaries are held at cost and accumulated impairment losses. Investments are reviewed for impairment if there are indicators that the carrying value may not be recoverable.

Foreign currency translation

The functional currency of the Company is pounds sterling as that is the currency of the primary economic environment in which the Company operates.

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within finance income or costs. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'operating expenses'.



Notes to the financial statements for the year ended 30 April 2019 - continued

3. Critical accounting estimates and assumptions

The preparation of the financial statements requires management to make judgements and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant impact on the financial statements are highlighted below.

(a) Estimates

Deferred taxation

The determination of the Company's deferred tax assets involves judgements for determining the extent of its recoverability at each balance sheet date. The Company assesses recoverability with reference to Board approved forecasts of future taxable profits. These forecasts require use of assumptions and estimates.

(b) Judgement

Revenue recognition

The Company recognises revenue in respect of e-invoicing related services over the period the services are provided. Where buyer transactions are paid for but not processed, such revenue is deferred according to contractual terms representing the anticipated period for transactions being processed. Management reviews the historical record of transactions used under each contract and relevant estimates to determine whether the deferral period for the revenue recognition is appropriate or any changes to the existing deferral period are required. In relation to transaction fees for which no revenue is received, management assesses the expected usage of any unutilised transactions to determine the amount of contract liabilities to be recorded.

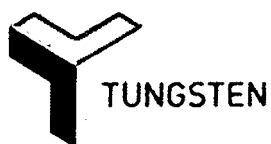


Notes to the financial statements for the year ended 30 April 2019 - continued

4. Operating expense

Operating loss is stated after charging/(crediting):

		Year ended 30 April 2019	Year ended 30 April 2018
	Note(s)	£'000	£'000
Wages and salaries		5,501	5,606
Social security costs		745	708
Other pension costs		516	508
Staff costs		6,762	6,822
Professional support		160	466
Office accommodation and services		376	486
IT costs		3,164	2,807
Marketing Cost		500	623
Travel and Entertainment		373	454
Exceptional items	6	194	1,270
Depreciation and amortisation	10,11	1,755	317
Foreign exchange loss/(gain)		66	(53)
Management Fee		72	2,769
Loss on disposal of assets	11	2,216	-
Loss allowance	13	1,976	-
Share based payments		297	-
Other operating expenses		2,728	2,134
Total operating expenses		20,639	18,095



Notes to the financial statements for the year ended 30 April 2019 – continued

5. Employees and directors

Employees

The average yearly number of persons (including executive directors) employed by the company during the year was:

	Year ended 30 April 2019	Year ended 30 April 2018
Number of employees	114	114
Total average headcount	114	114

Directors

The directors' emoluments were as follows:

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Aggregate emoluments	170	191
Value of company pension contributions	19	15
Total aggregate emoluments	189	206

The Directors' emoluments were borne by the parent company in the current and preceding year.

Highest Paid Director

The highest paid director's emoluments were as follows:

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Aggregate emoluments	96	108
Value of company pension contributions	8	8
Total aggregate emoluments	104	116

Notes to the financial statements for the year ended 30 April 2019 – continued

6. Exceptional items

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Provision for onerous contracts	194	1,120
Restructuring costs	-	150
Total exceptional items	194	1,270

Provision for onerous contracts includes a final settlement for technology contract termination costs and a discontinued contract of £0.2 million.

7. Auditors' remuneration

During the year the Company obtained the following services from its auditors and their associates:

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Audit of the financial statements	48	46
Taxation compliances services	-	6
E-invoicing/archiving support	-	125
Other non-audit services	65	63
Total auditors' remuneration	113	240

8. Finance income and costs

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Finance income		
Interest income on short term deposits	27	211
Foreign exchange gains on financing activities	1,175	1,362
Total finance income	1,202	1,573
Finance costs		
Interest expense and bank charges	(402)	(277)
Foreign exchange losses on financing activities	(912)	(1,243)
Total finance costs	(1,314)	(1,520)
Net finance (costs)/income	(112)	53

Notes to the financial statements for the year ended 30 April 2019 – continued

9. Taxation

Income tax comprises the following:

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Current tax:		
Research & Development tax credits	(1,513)	(328)
Total current tax	(1,513)	(328)
Total income tax credit	(1,513)	(328)

Tax credit reconciliation:

	Year ended 30 April 2019 £'000	Year ended 30 April 2018 £'000
Loss before taxation	(2,852)	(1,647)
Loss before taxation multiplied by the standard rate of corporation tax in the UK 19% (2018: 19%)	(542)	(313)
Items not deductible for tax purposes	390	61
Research & Development tax credits	(1,513)	(328)
Tax losses for which no deferred income tax asset was recognised	152	252
Total income tax credit	(1,513)	(328)

The standard rate of Corporation Tax in the UK is 19% (2018: 19%). Further reductions to the tax rate have been announced which will reduce the rate to 17% by 1 April 2020. These changes are expected to be enacted separately each year.

The total income tax credit of £1.5 million is derived from:

- £0.6 million R&D tax credit received in respect of tax year FY17; and
- £0.9 million R&D tax credit receivable in respect of tax year FY18.

Deferred tax

The potential deferred tax asset remains unprovided due to the uncertainty surrounding the timing of their utilisation. Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is considered more likely than not. The Company has unrecognised deferred tax assets of £12.8million (2018: £12.7million) in respect of losses that can be carried forward against future taxable income for the period between one-year and indefinite period of time.

Notes to the financial statements for the year ended 30 April 2019 – continued
10. Property, plant and equipment

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
Balance at 1 May 2018	49	277	326
Additions	5	71	76
Transferred to another group company	-	(20)	(20)
Balance at 30 April 2019	54	328	382
Accumulated depreciation			
Balance at 1 May 2018	16	112	128
Charge for the year	10	93	103
Transferred to another group company	-	(2)	(2)
Balance at 30 April 2019	26	203	229
Net Book Value			
At 30 April 2018	33	165	198
At 30 April 2019	28	125	153

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
Balance at 1 May 2017	19	180	199
Additions	30	99	129
Disposals	-	(2)	(2)
Balance at 30 April 2018	49	277	326
Accumulated depreciation			
Balance at 1 May 2017	10	49	59
Charge for the year	6	65	71
Disposals	-	(2)	(2)
Balance at 30 April 2018	16	112	128
Net Book Value			
At 30 April 2017	9	131	140
At 30 April 2018	33	165	198

Notes to the financial statements for the year ended 30 April 2019 – continued
11. Intangible assets

	Software £'000	Software development under construction £'000	Total £'000
Cost			
Balance at 1 May 2018	2,534	8,516	11,050
Additions	-	2,644	2,644
Reclassification	7,321	(7,321)	-
Transferred to another group company	(565)	(215)	(780)
Disposals	(2,650)	-	(2,650)
Balance at 30 April 2019	6,640	3,624	10,264
Accumulated amortisation			
Balance at 1 May 2018	399	-	399
Charge for the year	1,792	-	1,792
Transferred to another group company	(138)	-	(138)
Disposals	(434)	-	(434)
Balance at 30 April 2019	1,619	-	1,619
Net Book Value			
At 30 April 2018	2,135	8,516	10,651
At 30 April 2019	5,021	3,624	8,645

Following the changes to the Tungsten Board, the company has been undertaking an operating review. This included an assessment led by Martyn Arbon, who joined Tungsten as Chief Technology Officer on 3 April 2018, of all ongoing and completed software development projects.

In particular, the commercial value of Project Belfast, was assessed. Project Belfast involved mapping of data to point OBI (the Company's inhouse Customer Relations Management team) and customer portal to Salesforce. Salesforce went live in July 2018 with this functionality.

During the year, through the operating review, it has been determined that, whilst the Company intends to continue to work in the integration of OBI and Salesforce, the work was ineffective, the technology that was used was not appropriate and that new integrations were required. Accordingly, the total net book value of Project Belfast, £2.2 million has been fully written off in the statement of comprehensive income.

Notes to the financial statements for the year ended 30 April 2019 – continued
11. Intangible assets - continued

	Software £'000	Software development under construction £'000	Total £'000
Cost			
Balance at 1 May 2017	261	2,957	3,218
Additions	37	7,194	7,231
Reclassification	2,236	(2,236)	-
Transferred from another group company	-	601	601
Balance at 30 April 2018	2,534	8,516	11,050
Accumulated amortisation			
Balance at 1 May 2017	153	-	153
Charge for the year	246	-	246
Balance at 30 April 2018	399	-	399
Net Book Value			
At 30 April 2017	108	2,957	3,065
At 30 April 2018	2,135	8,516	10,651



Notes to the financial statements for the year ended 30 April 2019 – continued

12. Investments in subsidiaries

The directors believe that the carrying value of the investments is supported by the underlying net assets and future trading prospects of the Company's subsidiary undertakings.

The Company's investments at the balance sheet date comprise the following subsidiaries.

Subsidiary name and registered office	Country of Incorporation	% of ordinary shares held
Tungsten Network Inc 1040 Crown Pointe Parkway, Suite 330, Atlanta, GA 30338, United States	USA	100
Tungsten Network Sdn Bhd Level 8 Symphony House, Block D13 Pusat Dagangan Dana 1, Jalan PJU1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Malaysia	100
Tungsten Network GmbH Roggenkamp 21, 21266 Jesteburg, Hamburg	Germany	100
Tungsten Network (Schweiz) GmbH Confidas Treuhand AG, Gubelstrasse 5, 6301 Zug	Switzerland	100
Tungsten Network S.A.P.I de CV Bosque de Ciruelos 180 Piso Principal 101, Bosques de las Lomas, 11700 Mexico, D.F.	Mexico	100
Tungsten Network EOOD 38, Damyan Gruev Str., 1606 Sofia, Bulgaria	Bulgaria	100
Tungsten Network Private Limited Unit No.216, 2nd Flr. Sq., One, C-2, Dist. Ctr. Saket, New Delhi, South Delhi, Delhi, India, 110017	India	99

The Company is an indirect wholly-owned subsidiary of Tungsten Corporation plc which is a public limited company, incorporated and domiciled in the UK. The Company is included in the consolidated financial statements of Tungsten Corporation plc. Consequently, the Company is exempted from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.



Notes to the financial statements for the year ended 30 April 2019 – continued

13. Trade and other receivables

	As at 30 April 2019 £'000	As at 30 April 2018 Restated* £'000
Trade receivables	2,120	2,660
Less: Loss allowance	(556)	(980)
Prepayments	699	808
Amounts owed by Group undertakings	43,289	38,198
Less: Loss allowance	(1,976)	-
Other receivables	1,078	1,010
Total trade and other receivables	44,654	41,696

*See note 2(a) for details of restatement due to changes in accounting policy.

The amounts owed by Group undertakings are due from Tungsten Network Inc, Tungsten Network Finance Limited, Tungsten Network S.A.P.I de CV, Tungsten Network Private Limited and Tungsten Network (Schweiz) GmbH as at 30 April 2019. These are non-interest bearing and are repayable on demand.

In the trading update on 30 April 2019, the Group announced the decision to divest Tungsten Network Finance ('TNF'). The divestment is expected to be completed prior to October 2019. The amount due from TNF is considered unlikely to be collectible and the Company has decided to impair the total amount due of £2 million.

The remaining balances of £41.3 million are due from Tungsten Network Inc, Tungsten Network S.A.P.I de CV, Tungsten Network Private Limited and Tungsten Network (Schweiz) GmbH. With the adoption of IFRS 9, the Company have decided and approved the repayment over a time period, subject to the expected liquidity of net current assets, therefore no impairment is required.

14. Cash and cash equivalents

	As at 30 April 2019 £'000	As at 30 April 2018 £'000
Cash at bank	1,088	1,698
Total cash and cash equivalents	1,088	1,698



Notes to the financial statements for the year ended 30 April 2019 – continued

15. Share capital

	As at 30 April 2019 £'000	As at 30 April 2018 £'000
18,638,675 ordinary shares of 0.1p each (2018: 18,638,675)	19	19
19,428,755 preferred shares of 0.1p each (2018: 19,428,755)	19	19
3,076,922 'B' preferred shares of 0.1p each (2018: 3,076,922)	3	3
Total share capital	41	41

Each class of share have one vote per share on a pari passu basis.

Any dividends or proceeds from a winding-up process shall be distributed or shared amongst the holders of shares in the following order of priority: 1st, to each B Preference shareholder in an amount equal to two times the issue price of such shares; 2nd, to each Preference shareholder in an amount equal to the issue price of such shares; 3rd, the balance shall be distributed pari passu to the holders of the Ordinary Shares, the Preference Shares & the B Preference Shares as if the Preference Shares and B Preference Shares had been converted into Ordinary Shares.

Notes to the financial statements for the year ended 30 April 2019 – continued
16. Provisions

	Onerous Contracts £'000
As at 1 May 2018	42
Additions	85
As at 30 April 2019	127

	As at 30 April 2019 £'000	As at 30 April 2018 £'000
Analysis of total provisions:		
Non-current	20	-
Current	107	639
Total provisions	127	639

The provisions for onerous contracts include settlement of provision for early termination system support contracts of £0.1million (FY18: £0.6million).

17. Trade and other payables

	As at 30 April 2019 £'000	As at 30 April 2018 Restated* £'000
Amounts owed to Group undertakings	61,021	59,165
Trade payables	1,271	2,013
Accrued expenses	1,248	1,529
Contract liabilities	3,248	3,230
Total trade and other payables	66,788	65,937

* See note 2(a) for details of restatement due to changes in accounting policy.

The amounts owed to Group undertakings are non-interest bearing and are repayable on demand.

18. Operating leases

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following years:

	As at 30 April 2019 £'000	As at 30 April 2018 £'000
Not later than one year	-	22
Later than one year and not later than five years	-	-
Total operating leases	-	22



Notes to the financial statements for the year ended 30 April 2019 – continued

19. Borrowings

	Currency	Total facility £'000	Nominal interest rate	Year of maturity	Face value £'000	Carrying amount £'000
As at 1 May 2018					-	-
New issue - Revolving credit facility	GBP	4,000	LIBOR+3.5%	2021	1,000	1,000
As at 30 April 2019					1,000	1,000

20. Ultimate parent company

The immediate parent undertaking is Tungsten Corporation Guernsey Limited. The ultimate parent company is Tungsten Corporation plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Tungsten Corporation plc's consolidated financial statements can be obtained from the Company Secretary at Pountney Hill House, 6 Laurence Pountney Hill, London EC4R 0BL.

21. Related party transactions

Tungsten Network Limited has taken advantage of the exemption under the terms of IAS 24 from disclosing related party transactions but not balances, with other entities which are 100% owned by Tungsten Corporation Plc. Notwithstanding, for the year ended 30 April 2019 there were no other related party transactions. (2018: nil).

Key management personnel

Key management includes Executive Directors. There were no key management personnel in the Company apart from the Directors. The compensation paid to payable to key management for employee services is set out in Note 24 to the ultimate parent company's consolidated financial statements.