Registered number
03904514

Mesh Holdings PLC

(formerly High Growth

Capital Plc)

Annual Report and Consolidated

financial statements for the year

ended

30 September 2019

Report and accounts
Contents

Company Information

Directors
M Power
Robert JH Bonnier
R O'Sullivan

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Registered number
03904514

Mesh Holdings Plc
Registered number: 03904514
Chairman's Report
For the year ended 30 September 2019

CHAIRMAN'S STATEMENT

Introduction

I am pleased to present the annual report and accounts for Mesh Holdings Plc ("Mesh" or the "Company") for the financial year ended 30 September 2019 ("FY19"), which was a busy and productive one for the Company. As set out in the Company's prior year report and accounts, the Company disposed of its 100% interests in Sportsdata Ltd and Dataplay Holdings Ltd during the year ended September 2018 ("FY18") and in the same year moved its listing from AIM to NEX and repositioned itself as an investment company. In June 2019, we raised c£5.6 million through the issue of new equity allowing us to be able to substantially increase our investment in Sentiance NV ("Sentiance"). In addition, we acquired the intellectual property of Billion Dollar Draw ("BDD") as well the intellectual property of Aaquita ("Aaquita"), which is developed by Sentiance and is aimed to be delivered in the second half of 2020. Since the year end, we have streamlined our management team and significantly reduced our operating cost base. In addition, in July 2020, we received approval from the Takeover Panel to proceed with the 100% acquisition of Sentiance N.V.

Review of Investments

Sentiance

Sentiance is an emerging category leader in behavioural AI and remains the principal investment focus of the Company. Sentiance's Motion Intelligence and Behavioural Change Platform enables leading direct-to-consumer companies to get understanding of the individual user journey and adapt their service offerings and engagement processes a deep on a one-on-one basis with unmatched focus on privacy and data ownership. Pleasingly, Sentiance has recently announced new partnerships, extended partnerships and contracts with well-known international businesses, including several Fortune 500 customers.

In mid-2019, Sentiance started bespoke development of a "Consumer-to-Brand" ("C2B") intelligence and recommendation platform, Aaquita, which was fully funded by Mesh. Once fully internally tested and deployed, it is anticipated that this intelligence platform will create many new avenues globally to enable contextualised and personalised consumer service offerings delivering clearly defined benefits for consumers and brands alike.

In November 2018, the Company acquired HGC Investco 1 Limited ("HGCI"), whose sole asset was a holding of 9,333 shares in Sentiance (c10 per cent of Sentiance's issued share capital), for a consideration of £10.625 million, satisfied wholly by the issue of new shares in the Company to HGCI's parent company.

In April 2019, the Company increased its shareholding in Sentiance through the purchase of a further 4,000 existing shares in Sentiance for a total consideration of £7.0 million, also satisfied entirely through the issue to the vender of new shares in Mesh, together with an option to acquire a further 1,000 Sentience shares, which the Company exercised.

Post year end in October 2019, the Company increased its shareholding in Sentiance by a further 2,000 shares for an aggregate consideration of €1.5 million in cash which took the Company's total shareholding in Sentiance to 16,333 shares (c14 per cent. of Sentiance's issued shares).

In March 2020 we agreed terms of an option with Sentiance that allows us to increase our shareholding in Sentiance to over 50 per cent and ultimately in July 2020 we made an offer to acquire 100% of Sentiance.

Billion Dollar Draw

In April 2019, the Company acquired the intellectual property of Billion Dollar Draw ("BDD") for £4.0 million, satisfied by the issue of new shares in Mesh to the founders of BDD. Whilst the Company has not yet had the capacity to properly develop BDD, we continue to believe that it has real potential and are presently considering how to best materialise this intellectual property.
We have carried out a rigorous assessment of the value of the intellectual property of BDD and the directors are of the firm view that its value on the Company's balance sheet reflects its fair value.

Aaquita
In June 2019, we engaged Sentiance to develop a C2B intelligence and recommendation platform, as described above, which we ultimately intend to sell to third parties. We are excited about the prospects for this IP and progress around its development remains on track.

We have carried out a rigorous assessment of the value of the intellectual property of Aaquita and the directors are of the firm view that its value on the Company's balance sheet reflects its fair value.

COVID-19 Impact and Response

Subsequent to the year-end, there was a global outbreak of coronavirus (COVID-19), which continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets and economies. Our priority, however, has been the safety and health of our staff and connected partners. Notwithstanding our priorities, the outbreak could have a continued impact on economic and market conditions and the directors are regularly monitoring the situation and taking the appropriate actions as necessary. Mesh has conducted a thorough risk assessment and implemented several measures to mitigate the ongoing risks. In summary Mesh's position is as follows.

Operations
We have significantly reduced the Company's day-to-day operating costs versus FY19 and do not estimate the continuation of the COVID-19 measures will impact the current anticipated operational costs.

Investments
Sentiance has provided a detailed scenario analysis contemplating the different measures to be taken in light of COVID-19 with respect to both its anticipated delay in revenues as well as compensation possibilities in its cost base. The management of Sentiance has entertained several conversations with an array of financiers and ensures that it can secure sufficient financing to provide the full development of Aaquita as well as continue its operations until the latter part of 2021.

Intellectual property
The acquisition of the IP of BDD has been fully concluded and the development budget to acquire the IP of Aaquita has been taken into accounted in the business plan, therefore minimal impact from COVID-19 is anticipated.

Cash Flow
Given our significantly reduced operational run rate and continued support from our shareholders, we are confident that COVID-19 does not present, in the near or medium term, a significant risk to the company's cash position and ability to continue as a going concern. Furthermore, we do not foresee any significant increased risks in our ability to raise further funds as and when necessary from our supportive shareholders. To ensure sufficient headroom during this period of uncertainty, we recently finalised a new £1.8 million Secured Loan Agreement with one of our main shareholders, details of which are set out in Note 19 of the Notes to the financial statements.

Financial performance

Administrative expenses
Administrative expenses were c£3.9 million in FY19, the principal costs being legal, accounting and other costs associated with the proposed reverse takeover of Sentiance (c£0.7 million), and director and employee remuneration (including severance costs) of c£0.9 million. These are not expected to be incurred in the current financial year.

Post year end, we have agreed significant fee reductions with our professional advisers and, more significantly, we have substantially rationalised our cost base, both in terms of the number of directors, consultants and employees, and the levels of their remuneration. Accordingly, the Company now operates with just two directors and no employees. We outsource our accounting, payroll, company secretarial and office management functions, at a much lower cost than if we had them in-house. As a result, our fixed overheads, including some contingency and before legal and other non-recurring costs, have reduced by c75 per cent. from FY19 to an annual run rate of approximately £0.26 million (FY19: approximately c£1.0 million).

Carrying value of investments
The directors took the decision that the Company's carrying value of its investment in Sentiance should be impaired to €750 per share as at 30 September 2019, which resulted in an impairment charge of c£8.7 million in FY19. This decision was arrived at due €750 being the most recent price paid by Mesh post year end for the additional 2,000 Sentiance shares; and it is also the price at which a third party announced its intention to invest in Sentiance post year end. Notwithstanding the impairment charge, the directors are confident that the Company will make an excellent return on its investment in Sentiance.

Trading in Mesh's shares was suspended in July 2019 on the announcement of the proposed reverse takeover of Sentiance and Mesh was delisted in December 2019. We remain committed and confident, that, together with our strategic partners, we can deliver a transformational outcome for Sentiance and thus for Mesh and its shareholders.

Share capital and share trading

During FY19, the Company issued its ordinary shares as consideration for the acquisition of its investments, as well as settle amounts owed to directors and consultants, details of which are set out in Note 12 of the Notes to the Financial Statements ("Note 12"). In addition, during FY19, the Company simplified its share capital structure by firstly redeeming and cancelling its Deferred Shares and B Ordinary Shares in issue in November 2018 and, in April 2019, the Company carried out a 20-1 share consolidation to reduce the number of its ordinary shares in issue to a more manageable level. Details of these are also set out in Note 12.

On 1 July 2019, the Company's shares were suspended from trading on NEX as a result of its proposed acquisition of a controlling interest in Sentiance and, on 1 October 2019, the Company requested that its shares be delisted from NEX.

Board and Management changes

The Company now has three directors, Robert JH Bonnier as Executive Director, Rory O'Sullivan as Non-Executive Director and myself as Chairman.

C Fong, M Yeoman and RHM Horner resigned as directors during FY19 and M De Smedt and J Zimmerman resigned post year end. LKA Mair was appointed and resigned post year end.

Outlook

We remain focused on delivering value to the benefit of all stakeholders and notwithstanding the challenges we are presently all dealing with, we are very optimistic about Mesh's future. We will keep our shareholders updated on future developments as they materialise.

M Power
Chairman

Date: 28 July2020

The directors present their strategic report for the year ended 30 September 2019.

Principal activity

The principal activity of the Group continued to be that of an investing company.

On 16 May 2019 the Company changed its name from High Growth Capital Plc to Mesh Holdings Plc.

Business review

The consolidated statement of comprehensive income for the year ended 30 September 2019 is set out on page 14.

A review of developments affecting the Group during the period and its prospects for the future is included in the Chairman's Report.

The Chairman's Report also describes the changes that were implemented to the Group's structure and business activities during the year and after the year end and the rationale for those changes.

Key performance indicators & outlook

The directors will review and monitor key performance indicators as appropriate. In particular, they will closely monitor the progress of those companies in which the Group decides to invest.

Principal risks and uncertainties

The directors consider the Group faces the following principal risks and uncertainties:

1) The risk associated with early stage companies, particularly in the technology sector, where the lack of a trading history leads to inherent uncertainty in predicting future sales with any degree of certainty.

2) The main risk facing the Group now, having invested in Sentiance N.V., is that Sentiance N.V. does not successfully grow and become a profitable business.

Other risks that the businesses face include: (i) failure of the Group's information technology systems; (ii) the insolvency of the Group's counterparties, and (iii) general economic conditions.

Going Concern

After making relevant enquiries, preparing and reviewing detailed cashflows for 12 months from the date of signing, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. One resource available to the company is a £1.8m loan that has been advanced by one of our shareholders. More details on this can be found in Note 19. For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements. See note 1.3 for further details.

Post Balance sheet event

Post balance sheet events for the Group are set out in the Chairman's Report.

By order of the board:

M Power
Director

Date: 25 June 2020

General information

The directors present their report together with the audited financial statements for the year ended 30 September 2019.

Mesh Holdings Plc of 27/28 Eastcastle Street, London, W1W 8DH is incorporated in England and Wales. The domicile of the Company continues to be the United Kingdom.

On 16 May 2019, the Company changed its name from High Growth Capital Plc to Mesh Holdings Plc.

Future developments

The future developments of the Group are disclosed within the Chairman's Report.

Dividends

The directors have proposed that no dividend is paid for the year ended 30 September 2019 (2018: £nil).

Political donations and public expenditure

No donations or payments were made to political parties, other political organisations in the EU or any independent election candidate. No political expenditure was incurred during the year ended 30 September 2019.

Directors

The Directors who served during the period were as follows:

M Power (appointed 30 April 2019)
R O'Sullivan (appointed 20 January 2020)
L K A Mair (appointed 20 January 2020, resigned 12 May 2020)
C Fong (resigned 31 March 2019)
M Yeoman (resigned 24 June 2019)
R H M Horner (resigned 24 June 2019)
M De Smedt (resigned 20 January 2020)
J Zimmermann (resigned 2 March 2020)

Directors and directors' interests

The Directors who held office at the end of the financial year had the following beneficial interests in the ordinary share capital of the Company at 30 September 2019, according to the Register of Directors' Interests.

	Number of shares of 2p held at the beginning of the year	Number of shares of 2p held at end of year	Percentage of issued share capital at end of year
J Zimmerman	-	250,000	0.11
M De Smedt	-	1,302,500	0.56
M Power	-	2,977,500	1.28

At the date of signing this report, the appointed Directors had the following beneficial interests in the ordinary share capital of the Company, according to the Registrar of Directors' Interests.

	Number of shares of 2p held at end of year	Percentage of issued share capital at end of year
M Power	2,977,500	1.28
R O'Sullivan	2,156,280	0.92

Environment

The Group recognises the importance of its environmental responsibilities and monitors its impact on the environment, and designs and implements appropriate policies to minimise any damage that might be caused by its activities. Initiatives designed to minimise the Group's impact on the environment include recycling materials and reducing energy consumption wherever possible.

Auditor

UHY Hacker Young resigned as auditors during the year and BDO LLP were appointed as the auditors.

A motion to re-appoint BDO LLP will be proposed at the forthcoming annual general meeting.

Statement as to disclosure of information to auditor

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the Group's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the Group's auditors have been made aware of that information.

This report was approved by the board of Directors and signed on behalf of the Board on .

M Power
Director

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and parent Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the group and enable them to ensure that the financial statements and the directors remuneration report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors and signed on behalf of the Board on 25 June 2020.

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M Power
Director

TO MEMBERS OF MESH HOLDINGS PLC

Opinion

We have audited the financial statements of Mesh Holdings Plc ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 September 2019 which comprise the consolidated statement of profit and loss and other of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated cash flows, the company cash flow and the notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2019 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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 Group or Parent 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.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Butcher (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Mesh Holdings Plc

Consolidated statement of profit and loss and other comprehensive income for the year ended 30 September 2019

	Note	2019	2018
		£'000	£'000
		£	£
Revenue	2	**-**	8
Cost of sales		**-**	-
Gross profit		**-**	8
Administrative expenses		**(2,625)**	(399)
Fair value loss		**(1,200)**	-
Impairment losses on financial assets	7	**(8,725)**	-
Share based payment expense	16	**(1,309)**	-
Operating loss	2	**(13,859)**	(391)
Profit on the disposals of investments		**-**	54
Loss before taxation		**(13,859)**	(337)
Taxation	4	**-**	-
Loss for the year		**(13,859)**	(337)
Other comprehensive income			
Total other comprehensive income		**-**	-
Total comprehensive loss for the year		**(13,859)**	(337)

The notes on pages 21 to 46 form part of the financial statements.

Mesh Holdings Plc

Consolidated statement of Financial Position

As at 30 September 2019

	Note	30 September 2019 £'000	30 September 2018 £'000
ASSETS			
Non-current assets			
Investments	7	**8,900**	-
Intangibles	8	**4,367**	-
Total non-current assets		**13,267**	-
Current assets			
Trade and other receivables	9	**274**	35
Cash and cash equivalents	10	**3,739**	503
Total current assets		**4,013**	538
Total assets		**17,280**	538
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**4,665**	6,702
Capital Redemption reserve	13	**6,366**	-
Share premium	13	**41,329**	17,590
Share-based payment reserve	13	**1,934**	-
Retained losses	13	**(37,658)**	(23,799)
Total equity		**16,636**	493
Current liabilities			
Trade and other payables	11	**644**	45
Total current liabilities		**644**	45
Total equity and liabilities		**17,280**	538

The notes on pages 21 to 46 form part of the financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 June 2020

M Power
Director
Company registration no: 03904514

Mesh Holdings Plc

Company statement of Financial Position

As at 30 September 2019

	Note	30 September 2019 £'000	30 September 2018 £'000
ASSETS			
Non-current assets			
Investments	7	**8,900**	-
Intangibles	8	**4,367**	-
Total non-current assets		**13,267**	-
Current assets			
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EQUITY AND LIABILITIES			
Equity			
Share capital	12	**4,665**	6,702
Capital Redemption reserve	13	**6,366**	-
Share premium	13	**41,329**	17,590
Share-based payment reserve	13	**1,934**	-
Retained losses	13	**(37,658)**	(23,799)
Total equity		**16,636**	493
Current liabilities			
Trade and other payables	11	**644**	45
Total current liabilities		**644**	45
Total equity and liabilities		**17,280**	538

The notes on pages 21 to 46 form part of the financial statements.

As permitted by Section 408(1) of the Companies Act 2006, the Company's income statement has not been included in these financial statements. The Company's loss for the year and total comprehensive loss for the year attributable to equity shareholders was £13,858,856 (2018 - loss of £527,000).

The financial statements were approved by the Board of Directors and authorised for issue on 25 June 2020

M Power
Director
Company registration no: 03904514

Mesh Holdings Plc

Consolidated Statement of Changes in Equity for the year ended 30 September 2019

Group	Share Capital	Share Premium	Share Based Payment	Retained Losses	Total
	£ '000	£ '000	£ '000	£ '000	£ '000
At 1 October 2017	6,501	16,988	-	(23,462)	27
Total comprehensive loss for the year	-	-	-	(337)	(337)
Transactions with shareholders					
Shares-issued	201	602	-	-	803
Total transactions with shareholders	201	602	-	(337)	803
At 30 September 2018	6,702	17,590	-	(23,799)	493

Group	Share capital	Share Premium	Capital Redemption Reserve	Share Based Payment	Retained Losses	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
At 1 October 2018	6,702	17,590	-	-	(23,799)	493
Total comprehensive loss for the year	-	-	-	-	(13,859)	(13,859)
Transactions with shareholders						
Shares-issued, net of transaction costs	404	5,465	-	-	-	5,869
Repurchase of shares	(6,366)	-	6,366	-	-	-
Shares issued for acquisition of subsidiary	2,500	8,125	-	-	-	10,625
Share issued for acquisition of investment	1,425	10,774	-	-	-	12,199
Share based payments	-	(625)	-	1,934	-	1,309
Total transactions with shareholders	(2,037)	23,739	6,366	1,934	-	30,002
At 30 September 2019	4,665	41,329	6,366	1,934	(37,658)	16,636

There was no other comprehensive income for the Group for the current or previous year.

The notes on pages 21 to 46 form part of the financial statements.

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Mesh Holdings Plc
Company Statement of Changes in Equity
for the year ended 30 September 2019

Company	Share Capital	Share Premium	Share Based Payment	Retained Losses	Total
	£ '000	£ '000	£ '000	£ '000	£ '000
At 1 October 2017	6,501	16,987	-	(23,272)	216
Total comprehensive loss for the year	-	-	-	(527)	(527)
Transactions with shareholders					
Shares issued	201	603	-	-	803
Total transactions with shareholders	201	603	-	-	803
At 30 September 2018	6,702	17,590	-	(23,799)	493

Company	Share capital	Share Premium	Capital Redemption Reserve	Share Based Payment	Retained Losses	Total
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
At 1 October 2018	6,702	17,590	-	-	(23,799)	493
Total comprehensive loss for the year	-	-	-	-	(13,859)	(13,859)
Transactions with shareholders						
Shares-issued, net of transaction costs	404	5,465	-	-	-	5,869
Repurchase of shares	(6,366)	-	6,366	-	-	-
Shares issued for acquisition of subsidiary	2,500	8,125	-	-	-	10,625
Share issued for acquisition of investment	1,425	10,774	-	-	-	12,199
Share based payments	-	(625)	-	1,934	-	1,309
Total transactions with shareholder	(2,037)	23,739	6,366	1,934	-	30,002
At 30 September 2019	4,665	41,329	6,366	1,934	(37,658)	16,636

The notes on pages 21 to 46 form part of the financial statements.

Mesh Holdings Plc
Consolidated statement of cashflows
for the year ended 30 September 2019

	30 September 2019 £	30 September 2018 £
Cash flows from operating activities		
Loss before taxation	**(13,859)**	(337)
Adjustments for:		
Fair value loss	**1,200**	-
Expenses financed by shares issued	**380**	-
Impairment	**8,725**	-
Share based payment	**1,309**	-
	(2,245)	(337)
Changes in working capital		
Increase in trade and other receivables	**(239)**	(22)
Increase/(decrease) in trade and other payables	**599**	(218)
Net cash used in operations	**(1,885)**	(577)
Cash flow from financing activities		
Proceeds from the issue of shares	**5,656**	538
Cost of issue	**(168)**	-
Proceeds from issue of convertible loan stock	**-**	238
Net cash flow generated from finance activities	**5,488**	776
Cash flow from investing activities		
Investment in intangibles	**(367)**	-
Net cash flows from investing activities	**(367)**	-
Net cash generated	**3,236**	199
Cash and cash equivalents at 1 October	**503**	304
Cash and cash equivalents at 30 September	**3,739**	503
Cash and cash equivalents comprise:		
Cash at bank	**3,739**	503

The notes on pages 21 to 46 form part of the financial statements.

Mesh Holdings Plc
Company statement of cashflows
for the year ended 30 September 2019

	30 September 2019 £	30 September 2018 £
Cash flows from operating activities		
Loss before taxation	**(13,859)**	(337)
Adjustments for:		
Fair value loss	**1,200**	
Expenses financed by shares issued	**380**	-
Impairment	**8,725**	-
Share based payment	**1,309**	-
	(2,245)	(337)
Changes in working capital		
Increase in trade and other receivables	**(239)**	(22)
Increase/(decrease) in trade and other payables	**599**	(218)
Net cash used in operations	**(1,885)**	(577)
Cash flow from financing activities		
Proceeds from the issue of shares	**5,656**	538
Cost of issue	**(168)**	-
Proceeds from issue of convertible loan stock	**-**	238
Net cash flow generated from finance activities	**5,488**	776
Cash flow from investing activities		
Investment in intangibles	**(367)**	-
Net cash flows from investing activities	**(367)**	-
Net cash generated	**3,236**	199
Cash and cash equivalents at 1 October	**503**	304
Cash and cash equivalents at 30 September	**3,739**	503
Cash and cash equivalents comprise:		
Cash at bank	**3,739**	503

1 Accounting policies

1.1 General information

Mesh Holdings Plc is a public company, limited by shares, incorporated and domiciled in England and Wales, registration number 03904514. The registered office is 27/28 Eastcastle Street, London, W1W 8DH.

1.2 Basis of preparation and consolidation

The financial statements are prepared under the historical cost convention and have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applied in accordance with the provisions of the Companies Act 2006 applicable to companies reporting under IFRS.

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings made up to 30 September 2019. See note 1.6 for further details regarding the basis of consolidation.

The financial statements are presented in sterling, which is the functional currency of the Group and the Parent Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The principal accounting policies adopted by the Group are set out below.

1.3 Going concern

The Group has reported a loss of £13,858,856 for the year (2018 - £337,000).

At the year end the Group had cash resources of £3,739,441. The Directors have prepared detailed working capital projections for the Group, which includes the Group's committed costs covering a period up until 31 July 2021. Based on these projections, the Directors have a reasonable expectation that the Group's current cash resources are adequate to allow the Group to continue in operational existence for the foreseeable future and meet its liabilities as they fall due for at least a period of 12 months from the signing of these financial statements. Further funding can be raised if necessary and since the balance sheet date, the Company has raised additional capital (note 19). The Group therefore continues to adopt the going concern basis in preparing its financial statements.

In the current business climate, Management acknowledge the COVID-19 pandemic and have implemented logistical and organisational changes to underpin the Group’s resilience to COVID-19. Further details on these can be found in the Chairman’s report.

1.4 Development costs

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, the Group can demonstrate all of the following:

- its ability to measure reliably the expenditure attributable to the asset under development;
- the product or process is technically and commercially feasible;
- its future economic benefits are probable;

1 Accounting policies (continued)

1.4 Development costs (continued)

- its ability to use or sell the developed asset; and
- the availability of adequate technical, financial and other resources to complete the asset under development

1.5 Intangible fixed assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs that meet the definition prescribed by IAS 38 are recorded as intangible fixed assets and not amortised until the asset is ready for use.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

1.6 Basis of consolidation and investments

Group

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All business combinations are accounted for using the acquisition method of accounting.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Company

Investments are stated at cost less any provision for impairment.

1.7 Investment Income

Investment income is recognised on the sale and disposal of an asset in which the company have been developing. Income is measured at the fair value of the consideration received excluding any disposal costs associated. Income is recognised at the point that the rights and legal title have passed to the seller.

1.8 Revenue recognition

Revenue is recognised when the right to receive payment is established, to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, excluding Value Added Tax.

The directors are of the opinion that this accounting policy accurately reflects commercial reality and the recording of revenue.

1.9 Taxation

Income tax comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial information.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity.

1.10 Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the income statement.

1 Accounting policies (continued)

1.10 Financial instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to or deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held to maturity investments, loans and receivables financial assets, or available for sale financial assets, as appropriate.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

(c) Equity Instruments

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

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

1.11 Impairment

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period as to whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is objective evidence of impairment.

An impairment loss in respect of loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(b) Impairment of Non - Financial Assets

The carrying values of assets, other than those to which IAS 36 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement.

1.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year-end which remain unpaid at the year end. Current liabilities represent those amounts falling due within one year.

1 Accounting policies (continued)

1.14 Share based payments

In accordance with IFRS 2 - share based payments, equity-settled share-based payments to parties providing services to the Group, options and warrants issued, are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 15.

The fair value determined at the grant date of equity-settled share-based payments, options and warrants is expensed on a straight-line basis over the vesting period, based on the directors' estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to other reserves.In accordance with IFRS 2 - share based payments, equity-settled share-based payments to parties providing services to the Group are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 16.

1.15 Trade and other receivables

Trade and other receivables are recognised by the Company and carried at the original invoice amount less an allowance for any uncollectible or impaired amounts. An estimate for the doubtful debts is made when collection of the full amount is no longer probable. Uncollectible receivables are written off as soon as the payment loss has been established.

1.16 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required, or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial information. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

1 Accounting policies (continued)

1.17 Accounting estimates and judgements

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the accounting policies detailed above. These judgements are continually evaluated by the directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Research and Development: Under IAS 38: Intangible Assets, the Group must determine whether to recognise research costs incurred as an expense or asset. Depending on the development stage of a project determines whether an expense can be capitalised. Difficultly can arise at determining the stage of the Aaquita project. The Group must also determine the fair value of the intangible assets held and assess whether an impairment charge on the economic asset in necessary. Failure to correctly value the intangible can result in an overstatement of assets and understatement of amortisation.

Share based payments: The Group issues share options and warrants to employees and investors. Where share options and warrants are issued in return for services, appropriate valuation methods are used to recognise an appropriate expense is recognised in the financial statements. These valuation methods are subject to significant estimation. Where warrants issued to investors are classified as free-standing liabilities, they are remeasured to fair value at each reporting date for which both judgement and estimation is required.

Fixed Investments: The Group must continually assess the carrying value of investments held for indications of impairment. Indications of impairment are considered with reference to internal assessments of the ongoing contribution of intellectual property and any other indications of obsolescence and progress in line with the Group's business plan. The Group refers to IFRS 13: Fair Value Measurement and the fair value hierarchy to determine the fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). The fair value for the majority of the Group's financial instruments is based on observable market prices or derived from observable market parameters.

1.18 New standards, interpretations and amendments not yet effective

There are several standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods which are all effective for the period beginning 1 January 2020 which are as follows:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- Revised Conceptual Framework for Financial Reporting
- Interest Rate Benchmark Reform (IBOR) reform Phase 1 (Amendments to IFRS 9, IAS 39 and IFRS 7)

Of these, the Group has opted to early adopt IFRS 3 in determining whether the purchase of BDD meets the definition of a business or asset. Further details of the addition can be found in Note 8.

2 Operating loss and revenue

Operating loss arrived at after charging/(crediting)::	**2019 £ '000**	**2018 £ '000**
Auditor's remuneration:		
- audit of the annual accounts of the Group	35	12
Impairment of intangible assets	8,725	-
Equity settled share based payments	1,309	-

Revenue by geographical origin
For the year to 30 September 2019

	Revenue	**Loss before tax**	**Total assets**	**Total liabilities**
	£'000	**£'000**	**£'000**	**£'000**
United Kingdom	-	(13,859)	4,013	(644)

Revenue by geographical origin
For the year to 30 September 2018

	Revenue	**Loss before tax**	**Total assets**	**Total liabilities**
	£'000	**£'000**	**£'000**	**£'000**
United Kingdom	8	(337)	538	(45)

3 Directors and employees

	2019 £ '000	**2018 £ '000**	**2019 £ '000**	**2018 £ '000**
	Group		**Company**	
Staff costs, including directors' remuneration during the year were as follows:				
Wages, salaries and emoluments	**355**	149	355	149
Social security costs	**17**	12	17	12
Other amounts received	**101**	12	101	12
Termination payments	**252**	-	252	-
Share based payments	**1,309**	-	1,309	-
	2,034	173	2,034	173

3 Directors and employees (continued)

The monthly average number of employees, excluding non-executive directors, during the year was;

Average number of employees during the year	**Number**	**Number**
Administration	**-**	1
Management	**2**	3
	2	4

Details of remuneration paid to directors are as follows:

	£ '000	**£ '000**
Emoluments:	**612**	144
Share based payments	**238**	-
	850	144

The emoluments of directors disclosed above include the following amounts paid to the highest paid director:

	£ '000	**£ '000**
Director's emoluments	**300**	66

4 Taxation

	2019	2018
	£ '000	£ '000
Analysis of charge in period		
Tax on loss on ordinary activities	-	-

On 15 September 2016, the Finance Bill received Royal Assent to enact the previously amended reductions in the rate of corporation tax from 20% to 19% from 1 April 2017 and 17% from 1 April 2020.

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2019	2018
	£ '000	£ '000
Loss on ordinary activities before tax	(13,859)	(337)
Standard rate of corporation tax in the UK	19%	19%
	£ '000	**£ '000**
Profit on ordinary activities multiplied by the standard rate of corporation tax	(2,633)	(64)
Effects of:		
Expenses not deductible for tax purposes	1,658	64
Tax losses not recognised	975	-
Current tax charge for period	-	-

Factors that may affect future tax charges

The Company has estimated tax losses of £7,206,558 (2018 - £2,072,925) available to offset against future profits.

A deferred tax asset for the Company of £1,369,246 (2018 - £393,856) at a rate of 19% has not been recognised in these financial statements on the basis of uncertainty over the availability of future taxable profits of the Company.

5 Related party transactions

During the current and prior year the following related party transactions took place:

The Company paid consultancy fees to Springtime Consultants Limited during the year of £12,000 (2018: £10,200). Springtime Consultants Limited is owned and controlled by Marcus Yeoman, a former director of the Company.

The Company paid consultancy fees to Management Decision Support BVBA during the year of £74,555 (2018: Nil). Management Decision Support BVBA is owned and controlled by Marc de Smedt, a former director of the company.

The company paid consultancy fees to MKR Financial Services during the year of £80,160 (2018: Nil). MKR Financial Services is owned and controlled by Manjit Ram, a former director of the company.

5 Related party transactions (continued)

The company charged management fees amount to £nil (2018: £2,000) to Sportsdata Limited, a wholly owned subsidiary at the time the fees were charged. Sportsdata Limited is no longer a subsidiary of the group.

The company loan £nil (2018: £9,000) to Sportsdata Limited, a wholly owned subsidiary at the time the loan was made. Sportsdata Limited is no longer a subsidiary of the group.

During the year, the company paid a salary and fees amount to £nil (2018: £5,600) to M Ganney, the daughter of G M Ganney, who was a director of the Company until her resignation on 19 December 2017.

In October 2018, the Company acquired HGC Investco 1 Limited, whose sole asset was a holding of 9,333 shares in Sentiance.

7 Fixed asset investments

Company	**Investments in subsidiary undertakings £'000s**	**Total £'000s**
Cost		
At 1 October 2017	3,042	3,042
Disposals	(3,042)	(3,042)
At 30 September 2018	-	-
Impairment		
At 1 October 2018	(3,042)	(3,042)
Additions	3,042	3,042
At 30 September 2018	-	-
Net book value at 30 September 2018	-	-

Company	**Other Investments £'000s**	**Investments in subsidiary undertakings £'000s**	**Total £'000s**
Cost			
At 1 October 2018	-	-	-
Additions	7,000	10,625	17,625
At 30 September 2019	7,000	10,625	17,625
Impairment			
At 1 October 2018	-	-	-
Impairment	(4,330)	(4,395)	(8,725)
At 30 September 2019	(4,330)	(4,395)	(8,725)
Net book value at 30 September 2019	2,670	6,230	8,900

7 Fixed asset investment (continued)

Group	Other Investments £'000s	Total £'000s
Cost		
At 1 October 2018	-	-
Additions	17,625	17,625
At 30 September 2019	17,625	17,625
Impairment		
At 1 October 2018	-	-
Impairment charge	(8,725)	(8,725)
At 30 September 2019	(8,725)	(8,725)
Net book value at 30 September 2019	8,900	8,900

In November 2018, the Company acquired the whole share capital of HGC Investco 1 Limited from Monchichi plc, whose sole asset was a 9.8% shareholding, 9,333 shares, in Sentiance. The consideration paid was £10,625,000, satisfied by the issue of 2.5bn ordinary shares in Mesh Holdings plc to Monchichi plc. The shares were issued at 0.425p.

In April 2019, the Company purchased 4,000 Sentiance shares from existing investors, taking it's interest to 15%, together with an option to acquire a further 1,000 shares. The total consideration to acquire the additional shares was £7,000,000. The consideration was satisfied by the issue of 875m ordinary shares at 0.8p per share. The consideration payable on exercise of the Sentiance option was a nominal €1.

At the same time, the Company acquired an option over Sentiance for £1.2m finance through the issue of the Company's shates. The option was to acquire a further interest in Sentiance at €750 per share and on exercise would result in the Company acquiring between 51% to 84.8% of the share capital of Sentiance. The option had an expiry of 30 September 19. The option has been initially recognised at it's fair value of £1.2m and revalued to zero at year end date, this revaluation resulting in a fair value loss of £1.2m.

The Group regularly assess the carrying value of the Group's assets, including any impairment that may have occurred. The Group assessed the fair value of the shareholding held under IFRS 13: Fair Value Measurement, and determined the market approach to be the most appropriate way to estimate the fair value.

In the absence of Level 1 inputs, that being the fair value of financial instruments traded in active markets based on quoted market prices, the Group assessed Level 2 inputs, those being quoted prices for similar assets and liabilities in active markets, by reviewing post year subscriptions to Sentiance shares and options by both the Company and Asimilar Group plc.

At the year end, the Company reviewed the fair value of its holding in Sentiance based on the guidance of IFRS 13: Fair Value Measurement. IFRS 13 classifies inputs valuations techniques into three levels, Level 1; the inputs are quoted prices for identical assets in active markets, Level 2; inputs are observable prices that are not level 1 inputs and Level 3; inputs are unobservable.

7 Fixed asset investments (continued)

In October 2019, the Company subscribed to an additional 2,000 shares in Sentiance at €750 per share for a total consideration of €1,500,000. In addition, Asimilar Group plc announced its intention to invest €7,500,000 in Sentiance at a price of €750 per share for 10,000 shares alongside an option to purchase 32,225 Sentiance shares at €650 per share and a second option to invest a further €7,500,000 at €750 per share.

The board considers the market approach to be the most appropriate way to estimate fair value. Sentiance is not listed on any exchange and nor are its shares traded, so the Company do not have access to Level 1 inputs. Post year end, however, Level 2 inputs, being quoted prices for similar assets or liabilities in active markets, are available as a result of the proposed investment by Asimilar plc in what is effectively an identical instrument in Sentiance, at €750 per share. It is also relevant that the Company itself invested a further €1.5m for 2000 shares at €750 per share.

Alongside the unknown economic impact of Covid-19, the Directors believe it is appropriate to impair the current shareholding in Sentiance to reflect €750 per share, recognised and as result of this assessment an impairment charge of £8,725,000, which reflected a £4,395,000 impairment charge on the shareholding directly held by HGCI and a £4,330,000 charge on the shareholding directly held by the Company.

Principal subsidiary undertakings of the Company

The subsidiary undertaking of the Company is presented below:

Subsidiary	Country of Incorporation	Proportion of ordinary shares held
HGC Investco 1 Ltd	England and Wales	100%

8 Intangible assets

Group	Goodwill	Computer platform	Intellectual Property	Total
	£ '000	£'000	£'000	£'000
Cost				
At 1 October 2017	2,838	183	-	3,021
Disposals	(2,838)	(183)	-	(3,021)
At 30 September 2018	-	-	-	-
Impairment				
At 1 October 2017	2,838	183	-	3,021
Disposals	(2,838)	(183)	-	(3,021)
At 30 September 2018	-	-	-	-
Net book value at 30 September 2018	-	-	-	-
Cost				
At 1 October 2018	-	-	-	-
Additions	-	-	4,367	4,367
At 30 September 2019	-	-	4,367	4,367
Impairment				
At 1 October 2018	-	-	-	-
At 30 September 2019	-	-	-	-
Net book value at 30 September 2019	-	-	4,367	4,367

As prescribed by IAS 38, development costs associated with Billion Dollar Draw and Aaquita have been capitalised as the Company can separately be identified, with both being capable of being sold. Both assets have the power to obtain future economic benefits with the possibility to sell either asset in the future.

The capitalised development costs are recorded above as intangible assets and amortised from the point at which the asset is ready for use. As at the reporting date, both assets were still in the development phase.

	2019 £ '000	2018 £ '000
Intangible assets		
Billion Dollar Draw	4,000	-
Aaquita	367	-
Total	4,367	-

8 Intangible assets (continued)

Company

	Goodwill	Computer platform	Intellectual Property	Total
	£ '000	**£'000**	**£'000**	**£'000**
Cost				
At 1 October 2017	2,838	183	-	3,021
Disposals	(2,838)	(183)	-	(3,021)
At 30 September 2018	-	-	-	-
Impairment				
At 1 October 2017	2,838	183	-	3,021
Disposals	(2,838)	(183)	-	(3,021)
At 30 September 2018	-	-	-	-
Net book value at 30 September 2018	-	-	-	-
Cost				
At 1 October 2018	-	-	-	-
Additions	-	-	4,367	4,367
At 30 September 2019	-	-	4,367	4,367
Impairment				
At 1 October 2018	-	-	-	-
At 30 September 2019	-	-	-	-
Net book value at 30 September 2019	-	-	4,367	4,367

Billion Dollar Draw

On 11 April 2019, the Group purchased the intellectual property of Billion Dollar Draw PLC, a company incorporated in Malta, for £4,000,000 through the issue of 400,000,000 ordinary shares at £0.01, being the closing share price at the end of the preceding market day.

The Directors reviewed the nature of the addition and concluded that by early adopting IFRS 3 revisions in effect from 1 January 2020, Billion Dollar Draw does not satisfy the requirements to be accounted for under IFRS 3: Business Combinations. The revisions to IFRS 3 note that a business combination should demonstrate at a minimum that it has inputs and at least one substantive process that can be combined to generate output. The Directors have assessed and concluded that Billion Dollar Draw did not have a substantive process as it did not produce outputs or have an organised workforce and therefore does not meeting the definition of a business combination.

8 Intangible assets (continued)

In determining the cost of the transaction, the Directors have measured the cost of the asset at the fair value of the consideration transferred.

Aaquita

In June 2019, the Group engaged Sentiance to develop certain intellectual property in the form of an app.

As at 30 September 2019, the Group has capitalized development costs totaling £367,000 relating to Aaquita IP.

On completion of the alpha app and platform, the Group intend to actively market, sell and transfer the IP.

The Directors have assessed the future cashflows to be generated by Aaquita IP at the year end and have concluded that there has been no impairment to the carrying value of capitalized development costs.

9 Trade and other receivables

	Group 2019 £ '000	Group 2018 £ '000	Company 2019 £ '000	Company 2018 £ '000
Other receivables	274	33	274	33
Prepayments	-	2	-	2
	274	35	274	35

The above items represent financial assets of the Group.

10 Cash and cash equivalents

	Group 2019 £ '000	Group 2018 £ '000	Company 2019 £ '000	Company 2018 £ '000
Cash at bank and in hand	3,739	503	3,739	503
	3,739	503	3,739	503

11 Trade and other payables: Amounts falling due within one year

	Group 2019 £ '000	Group 2018 £ '000	Company 2019 £ '000	Company 2018 £ '000
Trade payables	465	-	465	-
Amounts due to related parties	-	-	-	-
Other payables	-	-	-	-
Accruals and deferred income	179	45	179	45
	644	45	644	45

The above items represent financial liabilities of the Group.

12 Share capital

	Nominal Value	2019 Number	2019 £ '000	2018 £ '000
Allotted, called up and fully paid:				
Ordinary shares	2.0p each	233,265,167	4,665	-
Ordinary shares	0.1p each		-	336
B Ordinary shares	12.9p each	-	-	218
Deferred shares	9.9p each	-	-	6,148
			4,665	6,702

	Nominal Value	Number	Amount £ '000
Ordinary shares – 1 October	0.1p	336,179,536	336
Issued in acquisition of subsidiary	0.1p	2,500,000,000	2,500
Issued in acquisition of investments	0.1p	1,425,000,000	1,425
Issued for cash	0.1p	99,000,000	99
Effect of share consolidation	2.0p	(4,142,170,559)	-
Issued for cash	2.0p	15,256,190	305
Total as at 30 September		233,265,167	4,665

There were 4,125,170,559 shares in issue at date of the share consolidation.

	Nominal Value	Number	Amount £ '000
Ordinary B shares – 1 October	12.9p	1,689,253	218
Effect of share buyback	12.9p	(1,689,253)	(218)
Total as at 30 September		-	-

	Nominal Value	Number	Amount £ '000
Deferred Shares – 1 October	9.9p	62,102,847	6,148
Effect of share buyback	9.9p	(62,102,847)	(6,148)
Total as at 30 September		-	-

The shares have attached to them the full voting, dividend and capital distribution (including winding up) rights; they do confer any rights of redemption.

12 Share Capital (continued)

On 05 November 2018, the Company issued 2,500,000,000 new ordinary shares at a price of £0.425. 2,500,000,000 new ordinary shares served as consideration for the acquisition of 100% of the issued share capital of HGC Investco 1 Limited. The Company also issued 62,500,000 ordinary shares at £0.008 for cash pursuant to a placing to raise £500,000

On 05 November 2018, the Company issued 7,500,000 new ordinary shares at a price of £0.004 for cash totalling £30,000.

On 05 November 2018, the Company acquired its own 62,102,847 Deferred Shares of £0.099 each and B Deferred Shares of £0.0129 each for a cash consideration of £10 by the issue of one New Ordinary Share of £0.001 each. Following this and on the same date, the Company then cancelled the 62,102,847 Deferred Shares of £0.099 each and the 1,689,253 B Ordinary Shares of £0.0129 each.

On 11 April 2019, the Company issued 400,000,000 ordinary shares at £0.001 to acquire all existing and in-development intellectual property of Billion Dollar Draw Plc, a company incorporated in Malta.

On 12 April 2019, the Company issued 1,025,000,000 ordinary shares at a price of £0.001 per share. 875,000,000 were consideration for 4,000 Sentiance shares and 150,000,000 relating to the consideration for the grant of an Acquisition Option to acquire an additional holding in Sentiance. The acquisition offer would enable the Company to increase its overall holding to at least 51%.

On 22 April 2019, the Company completed a share consolidation on a 20 to 1 basis. At the date of consolidation 4,360,179,535 shares were consolidated to 218,008,977.

On 28 April 2019, the Company issued 18,000,000 ordinary shares at £0.001 as part of Chris Fong's severance package who resigned on 31 March 2019.

On 30 April 2019, the Company issued 5,000,000 ordinary shares at £0.001 to Anne Stratford, a senior consultant, as shares in lieu of fees to reflect her additional work since the start of October 2018 at £0.0175 per share.

On 30 April 2019, the Company issued 5,000,000 ordinary shares at £0.001 to J Zimmerman as shares in lieu of fees, to reflect his additional work since the start of October 2018 at £0.0175 per share.

On 30 April 2019, the Company issued 1,000,000 ordinary shares at £0.001 to R Horner. In addition, 22,500,000 new options were issued with an exercise price of £0.0175, which expire on 29 April 2021.

On 15 May 2019, as part of a warrants exercise, the Company issued 156,250 ordinary shares at a price of £0.16 each to Peterhouse.

On 10 June 2019, the Company issued 14,250,000 shares at a price of £0.35 each in respect of Mirador FZE. In addition, the Company issued Mirador FZE with warrants the principal terms allowing Mirador the right to subscribe for a further 15,000,000 shares at a price of £0.0125 per share, with an expiry date of 27 December 2019 and in the event that the mid-market closing price of the Shares is £0.002 or above for 5 consecutive business days, the Warrants would require to be exercised within 5 business days thereafter or otherwise lapse.

On 10 June 2019, the Company issued 150,000 shares to R Horner a price of £0.16 each after exercising options held that had an exercise price of £0.16

12 Share Capital (continued)

On 26 June 2019, the Company issued 300,000 shares to Springtime Consultants Ltd, a company in which M Yeoman is a director, at a price of £0.16 each, after exercising options held that had an exercise price of £0.16.

On 01 July 2019, the Company issued 150,000 ordinary shares to R Horner at a price of £0.16 after exercising options held that had an exercise price of £0.16.

On 05 August 2019, the Company issued 249,940 ordinary shares to S Rowen at a price of £0.10.

During the year, the Company incurred £167,705 costs relating to share issues and warrants which have been recognised in the share premium.

13 Reserves

The following is a description of each of the reserve accounts that comprise equity shareholders' funds:

Share premium	The share premium comprises the excess value recognised from the issue of ordinary shares above par value.
Capital redemption reserve	The capital redemption reserve was set up to comply with section 733 of the UK Companies Act 2006 (previously section 170 of the UK Companies Act 1985) when shares of a company are redeemed or purchased wholly out of the company's profits. Balances reflect the amount by which the Company's issued share capital is diminished in accordance with this section.
Share-based payments reserve	Cumulative fair value of options charged to the consolidated income statement net of transfers to the profit or loss reserve on exercised and cancelled/lapsed options.
Retained losses	Retained losses comprise the Group's cumulative accounting profits and losses since inception.

14 Reconciliation of net cash flow to movements in cash and cash equivalents

	2019 £ '000	2018 £ '000
Net decrease/(increase) in cash and cash equivalents	3,236	199
Cash and cash equivalents at beginning of year	503	304
Cash and cash equivalents at end of year	3,739	503

15 Financial commitments

Neither the Group nor the Company have commitments under non-cancellable operating leases.

Capital commitments

Neither the Group nor the Company had any capital commitments at 30 September 2019.

16 Share based payment transactions

The total share based payment charge for the year was £1,309,167. £947,357of the charge related to options and £361,811 of the charge related to warrants. The full charge related to directors and employees of the Company.

Warrants

	2019 **No. of warrants**	**2019** Weighted average exercise price (pence)	**2018** **No.of warrants**	**2018** Weighted average exercise price (pence)
Outstanding at 1 October	750,000	4.00	1,426,832	3.50
Forfeited	-	-	(676,832)	4.18
Granted during the year prior to consolidation	1,667,185,386	2.14	-	-
Outstanding immediately prior to share consolidation	1,667,935,386	2.137	-	-
Outstanding immediately post-share consolidation	83,396,769	42.74	-	-
Exercised during the year subsequent to consolidation	1,006,190	14.51	-	-
Lapsed during the year subsequent to consolidation	(50,000,060)	50.00	-	-
Outstanding at 30 September	32,390,519	36.48	750,000	4.51
Exercisable at 30 September	24,890,519	37.28	750,000	4.51

16 Share - based payment transactions (continued)

Warrants (continued)

The estimated fair value was calculated by applying the Black Scholes model. The exercise price of all the warrants granted is equal to the share price at time of grant. The model inputs, were:

Issue Date	Exercise Price (£'s)	Expiry date	Vesting Date	Risk free rate	Volatility
05/11/2018	0.160	05/04/2020	05/11/2018	0.803%	58.391%
05/11/2018	0.160	05/04/2020	05/11/2018	0.803%	58.391%
05/11/2018	0.200	04/11/2020	05/11/2018	0.818%	58.391%
05/11/2018	0.160	04/11/2023	05/11/2018	0.956%	58.391%
12/04/2019	0.500	25/09/2019	12/04/2019	0.760%	37.337%
29/04/2019	0.500	31/03/2020	29/04/2019	0.744%	55.967%
29/04/2019	0.350	29/04/2024	31/03/2020	0.875%	55.967%
29/04/2019	0.250	29/04/2024	30/11/2019	0.875%	55.967%
08/05/2019	0.360	13/05/2022	13/05/2020	0.749%	56.222%
08/05/2019	0.360	13/05/2023	13/05/2021	0.749%	56.222%
08/05/2019	0.360	13/05/2024	15/05/2022	0.749%	56.222%
08/05/2019	0.360	13/05/2022	13/05/2020	0.749%	56.222%
08/05/2019	0.360	13/05/2023	13/05/2021	0.747%	56.222%
08/05/2019	0.360	13/05/2024	15/05/2022	0.764%	56.222%

Weighted average life of outstanding warrants is 1 year and 261 days.

The dividend yield when calculating the fair value on all warrants granted was 0%.

All share-based payments are settled in equity rather than cash.

16 Share - based payment transactions (continued)

Options

	2019 No.of warrants	**2019** Weighted average exercise price (pence)	**2018 No.of warrants**	**2018** Weighted average exercise price (pence)
Outstanding at 1 October	-	-	-	-
Forfeited			-	-
Granted during the year prior to consolidation	407,500,000	2.07	-	-
Lapsed during the year prior to consolidation	-	-	-	-
Outstanding immediately prior to share consolidation	407,500,000	2.07	-	-
Outstanding immediately post-share consolidation	20,375,000	41.49	-	-
Granted during the year subsequent to consolidation	12,250,000	50.00	-	-
Lapsed during the year subsequent to consolidation	-			
Outstanding at 30 September	32,625,000	44.69	-	
Exercisable at 30 September	5,625,000	25.00	-	

The estimated fair value was calculated by applying the Black Scholes model. The exercise price of all the options granted is equal to the share price at time of grant. The model inputs, in addition to the above, were:

Issue Date	Exercise Price (£'s)	Expiry date	Vesting Date	Risk free rate	Volatility
05/11/2018	0.200	05/11/2020	05/11/2018	0.958%	58.224%
25/04/2019	0.350	25/04/2024	29/04/2020	0.759%	56.015%
25/04/2019	0.350	25/04/2024	29/04/2021	0.759%	56.015%
25/04/2019	0.350	25/04/2024	29/04/2022	0.759%	56.015%
25/04/2019	0.600	25/04/2022	25/04/2020	0.745%	56.015%
29/04/2019	0.350	29/04/2021	29/04/2019	0.745%	55.967%
29/04/2019	0.350	29/04/2021	29/04/2019	0.745%	55.967%
01/05/2019	0.360	01/05/2024	01/05/2020	0.881%	56.091%
01/05/2019	0.350	01/05/2024	01/05/2021	0.881%	56.091%
01/05/2019	0.350	01/05/2024	01/05/2022	0.881%	56.091%
01/07/2019	0.500	01/07/2029	01/07/2020	0.814%	46.610%
01/07/2019	0.500	01/07/2029	01/07/2021	0.814%	46.610%
01/07/2019	0.500	01/07/2029	01/07/2022	0.814%	46.610%

Weighted average life of outstanding options is 298 days.

The dividend yield on all options when calculating the fair value was 0%.

All share-based payments are settled in equity rather than cash.

17 Financial risk factors

Risk management objectives

The Group manages financial risks relating to the Company, its subsidiaries and the companies in which the Company invests through regular review by the board.

Capital risk management

The Group aims to manage its overall capital so as to ensure that the Company, its subsidiaries and the companies in which the Company invests continue to operate as a going concern, whilst providing an adequate return to shareholders.

The Group's capital structure represents the equity attributable to the shareholders of the Company together with borrowings and cash and cash equivalents. The structure is reviewed on a quarterly basis to ensure that an appropriate level of gearing is being used.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The principal ways in which the Group is exposed to such fluctuations is through interest rate risk. The Group no longer has exposure to interest rate risk as a consequence of the reorganisation of the Group.

The Company does not have any quoted investments and hence is not exposed to equity price risk.

Classification of financial instruments:

	Group 2019 £ '000	Group 2018 £ '000	Company 2019 £ '000	Company 2018 £ '000
Financial assets				
Financial assets measured at amortised cost	8,900	33	8,900	33
Cash & cash equivalents	3,739	503	3,739	503
	12,869	536	12,869	536

	Group 2019 £ '000	Group 2018 £ '000	Company 2019 £ '000	Company 2018 £ '000
Financial liabilities				
Financial liabilities measured at amortised cost	644	45	644	45
	644	45	644	45

17 Financial risk factors (continued)

Credit risk

Credit risk is the risk that a counter-party will cause a financial loss to the Group by failing to discharge its obligation to the Group. The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and financial assets measured at amortised cost.

The Group manages its exposure to this risk by having fixed contracts with known suppliers and companies.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

18 Segmental information

During the year ended 30 September 2019 and the year ended 30 September 2018, the Group operated one business segment. Given that there is only one continuing class of business, operating within the UK, no further segmental information has been provided.

19 Post balance sheet events

The Company subscribed for an additional 2,000 ordinary Sentiance shares at a price of €750 per Sentiance share, being a total consideration of €1.5 million (£1,340,006) and exercised its option to acquire a further 1,000 ordinary Sentiance shares.

Sentiance Acquisition Option

In March 2020 the Company agreed the terms of an option over an aggregate of 48,337 Sentiance shares and stock options at a price of €650 per Sentiance share.

The option is exercisable from 23 March 2020 until 30 June 2020 and the aggregate consideration payable by MESH is €31.4 million (£26.2 million). On the exercise of the option The Company's shareholding in Sentiance would increase to approximately 52% of the then issued Sentiance shares.

Additional purchase of Sentiance shares

In October 2019, the Company increased its shareholding in Sentiance by a further 2,000 shares for an aggregate consideration of €1.5 million in cash which took the Company's total shareholding in Sentiance to 16,333 shares (c14 per cent. of Sentiance's issued shares).

19 Post balance sheet events (continued)

Right of First Refusal

On 4 March 2020 the Company agreed the terms of a Right of First Refusal with RRNB Capital Limited with regards to its €5.0 million primary equity commitment into Sentiance (6,667 ordinary Sentiance shares).

In the event that The Company acquires the 6,667 Sentiance shares from RRBN it would increase The Company's aggregate holding in Sentiance to 71,337 ordinary shares which will result in a controlling shareholding of approximately 52.2% of the issued share capital of Sentiance.

Conditional Exercise of 50 pence per share Warrants, issue of New Warrants

The Warrant owned by RRNB Limited was not exercised in full prior to 31 December 2019. As a consequence this lapsed. The Warrants were over 50,000,000 MESH shares and has an exercise price of 50 pence per share.

Additional funding

The company recently finalised a new £1.8 million Secured Loan Agreement with one of our main shareholders, RRNB Limited. The term of the loan covers the period 31 May 2020 to 31 August 2021, with a commitment fee of 5% which equates to £90,000 and interest charged at 16%, equating to £300,000.

Board Changes

On 20 January 2020 Michael Power, a Non-Executive Director, was appointed Chairman of the Board of the Company with immediate effect, following the resignation of Mark De Smedt.

On 20 January 2020 Lindsay Mair was appointed as Finance Director and resigned on 12 May 2020.

On 20 January 2020 Rory O'Sullivan was appointed as Non-Executive Director of the Company.

On 02 March 2020 Jens Zimmerman, a Non-Executive Directors of the Company, resigned with immediate effect.

COVID-19

The outbreak of COVID-19 creates a new and highly unpredictable challenge. We have tested our business continuity plans which have been successfully activated.

Management do not consider it possible to quantify the true impact of COVID-19 on the business at this time but remain confident that the business can adjust to the challenges it presents.

20 Ultimate controlling party

There is no individual ultimate controlling party of the Company in either the current or prior year.