TUNGSTEN CORPORATION PLC
("Tungsten", the "Company" or "Group")

FULL YEAR FINANCIAL REPORT
FOR THE TWELVE MONTHS ENDED 30 APRIL 2017

24 July 2017

Tungsten Corporation plc (LSE: TUNG), the global e-invoicing, purchase order services, analytics and financing company, today announces its audited results for the twelve months ended 30 April 2017 ("FY17").

Financial Highlights

- Revenue increased 21% to £31.3 million (FY16: £25.9 million[1]); up 12% at constant exchange rates
- EBITDA[2] loss decreased to £11.8 million, a £4.4 million improvement from prior year (FY16: £16.2 million loss[1])
- Statutory loss for the year of £12.5 million, a £14.7 million improvement from prior year (FY16: £27.2 million[3])
- Net cash and on balance-sheet invoice receivables were £21.8 million as at 30 April 2017 (30 April 2016: £9.3 million)
- Sale of Tungsten Bank completed, reducing adjusted operating expenses by £2.8 million and releasing cash of £29.7 million

Key performance metrics

- 1 million invoices added to increase total invoice volumes to 17.1 million (FY16: 16.1 million)
- Average revenue per invoice increased from £1.61 to £1.82
- Adjusted operating expenses[4] increased by £0.7 million (2%) but reduced by £1.7 million (4%) on a constant currency basis through cost discipline, internal reorganisation and greater automation. A further £2.8 million reduction in adjusted operating expenses following the sale of Tungsten Bank
- Tungsten Network Finance average invoice outstandings of £14.0 million in April 2017 (£12.2 million in April 2016)

Operational Highlights

- 10 new Buyers signed; 183 total Buyers as at 30 April 2017
- 41 existing Buyers renewed contracts with weighted average price increases of 49%; expected to add £1 million to revenue in FY18
- 48,000 net new Suppliers added to bring total Suppliers to 251,000
- Launched new Invoice Data Capture and purchase order products. Mobile application for Suppliers to view invoice status also released
- Restarted Tungsten Network Finance, concluding refreshed financing arrangements with Insight Investment and new funding partnerships with Orbian and BlueVine
- Completed initial phases of efficiency programme to set up Finance and Human Resources Shared Service Centre in Malaysia

[1] Prior year excludes Tungsten Bank as a discontinued operation, as highlighted at note 2 to the accounts. This reduces FY16 revenue by £0.2 million, and reduces the FY16 EBITDA loss by £2.6 million.
[2] EBITDA loss is defined as operating loss from continuing operations before other income, depreciation, amortisation and share-based payments charge.
[3] Prior year net finance income restated, as highlighted at note 2 to the accounts. This reduces FY16 loss for the year by £0.6 million.
[4] Adjusted operating expenses defined as operating expenses from continuing operations excluding cost of sales and before depreciation, amortisation and share-based payments charge.

Outlook

We successfully delivered against our targets for FY17. Our targets for FY18 trading are as follows:

- Constant currency growth in revenue in excess of 15% (FY17[1]: 12%);
- Gross margin reduction to a minimum of 90% (FY17[1]: 92.8%), reflecting a higher mix of our lower margin Invoice Data Capture sales; and,

- Adjusted operating expenses of less than £40 million (FY17[1]: £40.8 million). This excludes one-off restructuring costs of approximately £2 million expected in FY18.

We remain on track to achieve monthly EBITDA breakeven in calendar 2017.

[1] As re-presented

Richard Hurwitz, Chief Executive Officer, commented:

"Tungsten's performance in the 2017 financial year demonstrates that the actions we have taken to transform the business are producing results. This gives me confidence to state that we have passed the turning point. In a year where our focus was to stabilise the business, we grew revenue by 21%, or 12% in constant currency terms. Importantly, we are fulfilling our promises to our customers, employees and shareholders."

Nick Parker, Non-Executive Chairman, added:

"Tungsten is once again becoming a vibrant and agile technology business. Although we still have a lot to achieve to reach profitability and make it sustainable, Tungsten possesses the attributes needed to become the world's most trusted business transaction network and that is our long-term goal. With our customers at the heart of what we do and talented people to take the business forward, we are confident of success. Tungsten delivered on its promises in financial year 2017 and with hard work we will continue to do so in the year ahead."

Analyst Presentation

Richard Hurwitz, Chief Executive Officer, and David Williams, Chief Financial Officer, will today host a conference call and webcast at 9.00am UK time. To access the live webcast please click here. For participants unable to join the webcast, the dial-in number for the conference call is +44 (0)20 3003 2666 / +1 212 999 6659 with the passcode 4556574# and a presentation will be available on the Tungsten website at http://www.tungsten-network.com/uk/about/investor-relations/downloads-reports/.

A replay facility will be available until 7 August 2017. The dial-in number for the replay facility is +44 (0)20 8196 1480 / +1 866 583 1035 with the above passcode.

Enquiries

Tungsten Corporation plc	
Richard Hurwitz, Chief Executive Officer	+44 20 7280 7713
David Williams, Chief Financial Officer	
Panmure Gordon UK Limited (Nominated Advisor)	+44 20 7886 2500
Dominic Morley/Peter Steel	
Canaccord Genuity Limited (Broker)	+44 20 7523 8000
Simon Bridges/Andrew Buchanan/Emma Gabriel	
Neustria Partners (Investors, Analysts and Media)	+44 20 3021 2580
Robert Bailhache/Nick Henderson/Charles Gorman	

About Tungsten Corporation plc

Tungsten Corporation (LSE: TUNG) aims to be the world's most trusted business transaction network by using data intelligently to strengthen the global supply chain.

Tungsten Network is a secure e-invoicing, purchase order services and workflow platform that brings businesses and their suppliers closer together with unique technology that revolutionises invoice processing, maximises efficiency and improves cash flow. Delivering trusted connections and streamlined transactions, the network also provides users with real-time spend analysis and offers suppliers access to invoice financing through Tungsten Network Finance, a form of alternative finance for businesses.

Tungsten Network processes invoices for 70 percent of the FTSE 100 and 76 percent of the Fortune 500. It enables suppliers to submit tax compliant e-invoices in 48 countries, and last year processed transactions worth over £133bn for organisations such as Alliance Data, Cargill, Deutsche Lufthansa, General Motors, GlaxoSmithKline, Mondelēz International, Henkel, IBM, Kellogg's and the US Federal Government.

Trusted, passionate and proven, Tungsten is making the digitisation of global commerce between buyers and suppliers faster, easier and smarter.

Forward looking statements

This document contains forward-looking statements that may or may not prove accurate. For example, statements regarding expected revenue growth and trading margins, market trends and our product pipeline are forward-looking statements. Phrases such as "aim", "plan", "intend", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from what is expressed or implied by the statements. Any forward-looking statement is based on information available to Tungsten as of the date of this statement. All written or oral forward-looking statements attributable to Tungsten are qualified by this caution. Tungsten does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances or in Tungsten's expectations.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Chairman's Statement

Many things have changed at Tungsten since my appointment in 2015. The Board's focus over this time has been to support the executive team in forming and executing a strategy to restore value to our shareholders and justify the confidence of our customers, our business partners and our employees. The results for the 2017 financial year demonstrate that we have made an excellent start in meeting these objectives: we now have a stable business with a strong balance sheet and a resolute focus on those elements that we believe will result in profitability.

Strategy

The four strategic objectives that were set out in early 2016 remain the focus of the business. These are to:

- elevate our customer engagement by realising network benefits for them;
- use end-to-end digital processes to ensure our people and processes are effective;
- use our network and its data to provide distinctive financing products; and,
- offer our customers valuable adjacent products and services.

Strong progress has been made in each of these areas in the 2017 financial year.

We have divided the transformation of Tungsten into three phases. The first phase, stabilisation, concluded with the sale of Tungsten Bank in December 2016. This provided Tungsten with the financial resources necessary to execute its strategy. Equally important, it removed the cultural conflict of a highly regulated and expensive bank that sat within an agile technology business.

Despite the sale of Tungsten Bank we retain significant ambitions for our supply chain financing activities. Indeed, with a reaffirmed commitment from our funding partner Insight Investment, new funding agreements with Orbian and BlueVine, and a customer relaunch of Tungsten Network Finance in November 2016, we remain committed to making a success of this market.

The second phase, achieving profitability through cash generative growth, is our primary focus for calendar year 2017, and thereafter we intend to focus on the third phase of accelerating that profitable growth.

Investment

Tungsten has to balance the ongoing investment in customers, products and internal systems with operating a cost base consistent with our foreseeable revenue opportunity. We now have increased visibility and control over our expenditure and rigorous return based criteria are applied to all our investment decisions.

The Board remains active in identifying inorganic opportunities to expand. Ensuring that any such opportunities will both accelerate our growth and add to shareholder value is central to our decision making.

Our people

We are a truly global operation with talented employees in each location where we operate. The changes we have made at Tungsten, while necessary, have been destabilising for some. Having now come through much of this, the Board and I offer all of our colleagues continued heartfelt thanks for their ongoing efforts and commitment.

I should also like to thank my fellow board members for their sustained and significant contributions during the last year.

Board change

As previously announced, Danny Truell, a founder of Tungsten, stepped down as a non-executive director on 24 May 2017, after the end of the 2017 financial year. Throughout his tenure Danny contributed enormously to the development of Tungsten and we wish him well for the future.

Annual General Meeting

The Company's Annual General Meeting will be held at 2pm on 15 September 2017 at the offices of Ashurst LLP, Broadwalk House, 5 Appold Street, London EC2A 2HA. We look forward to welcoming our shareholders to the event.

Dividend

The Company has no distributable reserves to declare a dividend.

The year ahead

Tungsten is once again becoming a vibrant and agile technology business. Although we still have a lot to achieve to reach profitability and make it sustainable, Tungsten possesses the attributes needed to become the world's most trusted business transaction network and that is our long-term goal. With our customers at the heart of what we do and talented people to take the business forward, we are confident of success.

Tungsten delivered on its promises in financial year 2017 and with hard work we will continue to do so in the year ahead.

Nick Parker
Non-Executive Chairman

Chief Executive Officer’s Review

Our Strategic Objectives

Our goal is to be the world’s most trusted business transaction network, using data intelligently to strengthen the global supply chain. In early 2016 we identified four strategic priorities to achieve this goal and this year we made great progress in each of them.

Tungsten’s performance in the 2017 financial year demonstrates that the actions we have taken to transform the business are producing results. This gives me confidence to state that we have reached a turning point. In a year where our focus was to stabilise the business, we grew revenue by 21% (12% in constant currency terms). Importantly, we are fulfilling our promises to our customers, employees and shareholders.

I have talked previously about finding the balance between repair and growth. While we still have repair work to do, our primary focus is now on the growth initiatives that will bring our revenues in line with, and subsequently exceed, our operating costs on a sustainable basis.

We are doing this in a period of uncertainty in global markets. In particular, with the changing political landscape in our largest market, the USA, and the impact of the UK referendum to leave the European Union in our home market, there are destabilising forces that could affect the achievement of our goals. However, uncertainty brings opportunities, and our increasing customer numbers and growing revenues suggest that Tungsten is taking advantage of those opportunities to secure a successful future.

We have continued to reshape our business, putting our customers at the centre of what we do, while exercising requisite control over our operating cost base. We have successfully embarked upon multi-year programmes that we will execute with appropriate care in order to strengthen the trust that our customers place in us.

Focus on our core

Tungsten Network connects organisations around the world, processing transactions for them and delivering data between them. During the year, we processed 17.1 million invoice transactions, an increase of 1.0 million from the prior year, and many millions more purchase order transactions. By value the invoices totalled £155 billion, an increase of £22 billion.

We ended the year with 183 Buyer organisations as members of Tungsten Network. We welcomed 10 new members to the network during the year, of which five are being implemented for e-invoicing, with the balance using our Workflow software. We want our Workflow software to serve as the gateway to wider accounts payable automation. Encouragingly, an increasing number of our Workflow customers have taken our Invoice Status Service product, meaning that their Suppliers register to use our portal. One of these has also taken our Invoice Data Capture product, which digitises their paper invoices. Our focus now is to encourage these Buyers to adopt end-to-end digitisation and use our e-invoicing and enhanced purchase order solutions.

Our e-invoicing Buyer customers are typically on three-year contracts. We renewed 41 of these Buyer contracts during the year at a weighted average price lift of 49%. This compares with 34 contracts at 64% in the prior year. Our continued success in repricing our services reflects the relationships we have developed with our Buyers and their recognition of the value our services provide. We have committed to strengthening these relationships but will only do so in a manner that is mutually beneficial. As a result, two Buyers left the network during the year.

Under the leadership of our SVP of AP Automation, Kevin Wilbur, we have continued to make adjustments to our organisation to focus on new customers and extend the value we create with current customers. We have brought new talent into our sales organisation and invested further in our indirect sales channels, including PNC Bank and Business Process Outsourcers.

We help our Buyer customers receive the most value from Tungsten Network through increasing connections to their supply chain. We increased the number of net connections by 48,000 during the year and, at the end of fiscal year

2017, had 251,000 Suppliers using Tungsten Network for a combination of delivering invoices to their customers, tracking the status of their invoices and having their invoices digitised using our Invoice Data Capture product.

The net growth in the number of Suppliers presents our customers with the opportunity to have greater interactions over our Network. Through our Digital Command Centre, run by our Chief Marketing Officer, Connie O'Brien, we are investing in our brand to increase awareness and support our efforts to do more business with each of our Suppliers.

Improve operational performance

Nowhere is Tungsten's transformation better demonstrated than the considered approach taken to reshaping our operating expense base. To accomplish this we evaluated each area of our business in order to identify where we could increase efficiency, increase capacity and, where appropriate, invest in growth.

In some areas, this process is reaching its conclusion, with benefits already in place. This includes our Finance and Human Resources teams, which have moved to a centralised shared services environment with improved consistency and quality of output and an annualised cost saving of £1 million. In addition, our procurement team, set up in late 2015, achieved £1 million of annualised savings in the year.

In other parts of the business, our transformation programmes will be implemented in stages. At the core of this activity is our technology, which we are rebuilding to simplify and upgrade and which will result in more efficient, stable and scalable infrastructure. Technology sits at the heart of what we do and carefully managing the upgrade of our systems is critical to our success.

A focus in the 2018 financial year will be on moving to a new, more agile, IT infrastructure provider. This transition is expected to result in operating cost savings, while at the same time upgrading service levels and the scalability of our technology platform. The one-off termination costs of these changes is expected to total approximately £1.5 million in FY18, which we will not include within our underlying EBITDA, and which will payback in less than 18 months.

Our target is to maintain our annual adjusted operating expenses at approximately £40 million. This excludes non-cash items and direct costs of sale which vary with revenue. We intend to achieve this through continuous identification of opportunities to increase automation and reduce operating costs, which will generate cost savings that in turn can be used to support our sales, marketing and new product development activities.

Distinctive invoice financing

Tungsten Network Finance was relaunched in November 2016. Over the past year under its president, Prabhat Vira, we have agreed new funding partnerships, expanded the product range, simplified our product offering and recruited a new, highly skilled team.

Invoice financing remains an important part of Tungsten's business. The effective management of working capital is a strategic imperative for all the members of the Tungsten Network and we believe that Tungsten is well placed to deliver distinctive invoice financing products to Buyers and Suppliers.

Our customer base is diverse, comprising Buyers and Suppliers that are widely spread geographically. They may be sole traders or the largest companies in the world. They may operate in the private or public sectors. They may be government authorities, or they may be non-sector specific. We therefore need a range of invoice financing products to meet the differing requirements of our customers. A key focus in financial year 2017 was designing and securing funding partners for this wider product range.

We monitor the progress of our invoice financing activities through three primary metrics: the average outstanding amounts financed in a period ("average outstandings"); the gross yield of those invoices financed ("gross yield"); and Tungsten's return on those invoices finance ("net yield").

We are receiving interest in the range of products now offered by Tungsten Network Finance. Consequently, our net yield will be impacted by product mix, as we expect to achieve a lower net yield on larger funding sizes.

Tungsten Early Payment was relaunched in November 2016. With the extended support of our primary funding partner, Insight Investment, it has a new online customer portal, a simplified and more competitive pricing structure, and streamlined customer on-boarding.

By 30 April 2017, 85 Suppliers had used Tungsten Early Payment since its inception. Of these, 41 had an outstanding balance at the end of FY17. The average gross yield in the financial year was 6.7% (FY16: 6.3%) and the net yield was 1.3%.

Including invoices financed by Tungsten Bank prior to its sale, a total of £380 million of invoices were paid through Supplier accounts (FY16: £170 million), of which Tungsten financed £120 million (FY16: £103 million). The average duration of financed invoices was 37 days (FY16: 38 days).

Expand adjacent services

Product innovation was reintroduced at Tungsten over the financial year 2017, with a range of new initiatives launched for our customers. This includes an Invoice Data Capture product, dynamic discounting functionality for our Buyers, and a mobile application to enable Suppliers to see the status of their invoices whilst on the move. Tungsten also became the first and only e-invoicing provider to offer compliant, paperless invoicing in India.

During the financial year we also launched our first adjacent services delivered through partners. Whilst still early in their development, our global payments offering, provided through Payoneer, and a flexible line of credit, in partnership with Blue Vine, are intended to be part of a range of adjacent services that enable us to engage more fully with our customers.

We have continued to make progress in identifying opportunities for our data analytics capabilities. This includes a significant sale of our Buyer procurement analytics tool. We have developed a Supplier analytics product, scheduled for launch in FY18, and continue to have discussions with a number of other partners to enhance our capabilities further.

We are pursuing further opportunities to expand our services, through product development, partnerships and, at a future date, corporate activity, whilst maintaining our focus on cost discipline and profitable growth.

FY18 Priorities

Our focus in FY18 is to grow profitable revenues and to achieve our target of breaking even on a monthly basis. We intend to achieve this through broader and deeper engagement with our Network members and continuing to transform our cost base.

We expect the pace of new customer acquisitions to accelerate over the fiscal year. FY18 has started well, with four new Buyers contracted since 1 May 2017. This reflects a stronger start to the year than in past years.

We also have a healthy pipeline of new deal prospects giving us confidence that this year we will exceed the 10 new Buyer sales achieved in FY17.

Already in FY18 we have had some successes in encouraging our current Buyers to adopt more of our products. The most notable is the early adoption of our new Invoice Data Capture service that we launched in March and have since sold to three Buyers. We are encouraged that the 99+% accuracy delivered through Invoice Data Capture is already proving attractive to our Buyers, acting as a stepping stone to the digital automation that comes from integrating with the Tungsten Network.

We are also seeing increased interest in our other new products, including enhanced purchase order services, dynamic discounting and compliant invoicing in India.

We continue to work closely with our Buyer customers to bring more of their supply chains onto the Network. Increasingly, this is taking the form of commitments from the Buyer that includes executive sponsorship, appropriate resources to implement required changes, and a mandate to reject paper invoices. With these commitments, we can deliver maximum benefits for our Buyers and we expect this to result in increased numbers of e-invoicing Suppliers joining the Network and, in particular, those purchasing our Integrated Solution product.

The transformation of our operations will continue over the course of FY18. We have focussed in the preceding 18 months on increasing control over the business, repairing contractual anomalies and developing implementation plans. FY18 will see us commit to the extension of these plans. We expect to incur up to £2 million of one-off costs in the process, notably £1.5 million of exit fees associated with onerous contracts and £0.5 million of redundancies. We expect these costs to pay back in less than 18 months and they will be excluded from the calculation of our underlying EBITDA.

Further technology projects continuing in FY18 include harmonising and improving our customer facing online presence, and the rollout of automation and collaboration capabilities based on the Salesforce cloud platform.

These enhanced technologies will create opportunities for organisational change that will allow for delivery that is more effective and further cost reduction. FY18 will see the completion of the Finance and HR shared service transition. We will also undertake the next phase of the reorganisation of our service delivery teams, further centralising activity in our facility in Sofia, Bulgaria.

We are excited about the possibilities for our Tungsten Network Finance activities in FY18. With many new funding partnerships in place, we have products to appeal to a wide range of the customer on our Network. Our focus in FY18 will be to increase the number of customers taking a financing product and, as a consequence, our average outstandings.

Outlook

We successfully delivered against our targets for FY17. Our targets for FY18 trading are as follows:

- Constant currency growth in revenue in excess of 15% (FY17: 12%);
- Gross margin reduction to a minimum of 90% (FY17: 92.8%), reflecting a higher mix of our lower margin Invoice Data Capture sales; and,
- Adjusted operating expenses of less than £40 million (FY17: £40.8 million). This excludes one-off restructuring costs of approximately £2 million expected in FY18.

We remain on track to achieve monthly EBITDA breakeven in calendar 2017.

Richard Hurwitz
Chief Executive

Chief Financial Officer's Review

Group Overview

Tungsten's turnaround has been carefully executed to allow for continued investment in revenue enhancing activities, such as sales, marketing and product development, while systematically transforming the cost base to be both lower and more leveragable.

For these reasons our financial performance for FY17 was encouraging. Although the comparability of both reported revenues and costs were affected by foreign exchange movements and the sale of Tungsten Bank, the achievement of 21% revenue growth (12% on a constant currency basis) and a small increase in adjusted operating expenses of 2% (a reduction of 4% on a constant currency basis, or 11% on a constant currency basis when the reduction in adjusted operating expenses from the sale of Tungsten Bank is included), demonstrates that our plans are on track.

We completed the sale of Tungsten Bank in December 2016 for a total cash consideration of £29.6 million. We recorded a loss for the year from Tungsten Bank of £0.2 million (FY16: £9.4 million) but, importantly, reduced our adjusted operating expenses by £2.8 million and increased our available cash by £25 million.

Revenues:

On a continuing operations basis[1]	Buyers	Suppliers	Tungsten Network Finance	Group
Revenue FY17	**£13.7m**	**£17.4m**	**£0.2m**	**£31.3m**
Revenue FY16	**£10.1m**	**£15.8m**	**£0.0m**	**£25.9m**
Change at constant exchange rate	**24%**	**4%**	**850%**	**12%**
Change at actual exchange rate	**35%**	**11%**	**985%**	**21%**

[1]Excludes the results of Tungsten Bank from both reported periods

Group revenue was £31.3 million (FY16 re-presented: £25.9 million), representing an increase of 21% at actual exchange rates. At constant exchange rates revenue grew by 12%. The growth in revenues reflected the benefits of new customer sales, additional product sales to current customers and existing customer price increases.

Revenue from 183 Buyer customers grew 35% to £13.7 million. This includes 10 new Buyers, which contributed £1.0 million in the period.

We have continued the successful programme of Buyer contract renewals that had commenced in FY16. We achieved further price lift averaging 49% with 41 of our Buyer customers in FY17. These increased FY17 revenue by £0.6 million, with a further benefit expected in FY18 of £0.5 million. Buyer revenues represented 44% of total Tungsten Network revenues in the 2017 financial year.

Revenue from our Supplier customers grew 11% to £17.4 million. This was split £14.3 million from Integrated Solution Suppliers (FY16: £12.7 million) and £3.1 million from Web Form Suppliers (FY16: £3.1 million). We increased the net number of Suppliers connected to our Network in FY17 by 48,000.

Tungsten purchases invoices from approved Suppliers on Tungsten Network, which are then sold to a funding partner. In the reporting period these funding partners were Tungsten Network Finance (self-funded), Insight Investment and Tungsten Bank.

The total gross Tungsten Network Early Payment fees in FY17 were £786,000 (FY16: £611,000), of which £152,000 (FY16: negligible) was attributable as revenue for Tungsten Network Finance. This excludes revenue recognised by Tungsten Bank until its sale on 21 December 2016 of £272,000 (£247,000 in respect of fees generated in FY17 and £25,000 in respect of fees generated in FY16). This is presented within discontinued operation.

The Tungsten Network Finance revenue included revenue from self-funded invoices and our share of revenue from Insight Investment funded invoices. In November 2016, Tungsten Network Finance started to operate with Insight Investment under a revised funding arrangement that will result in a higher proportion of revenues generated by the Tungsten Network Early Payment product being paid to Tungsten Network Finance.

EBITDA:

On a continuing operations basis[1]	Tungsten Network	Tungsten Network Finance	Corporate	Group
Revenue FY17	**£31.1m**	**£0.2m**	**-**	**£31.3m**
Revenue FY16	£25.9m	Neg	-	£25.9m
Change at constant exchange rate	12%	850%	n/a	12%
Change at actual exchange rate	21%	985%	n/a	21%
Cost of sales FY17	**£(2.3)m**	**Neg**	**-**	**£(2.3)m**
Cost of sales FY16	£(1.9)m	-	-	£(1.9)m
Change at constant exchange rate	(2)%	Neg	n/a	(2)%
Change at actual exchange rate	16%	Neg	n/a	16%
Adjusted operating expenses[2,3] FY17	**£(33.1)m**	**£(1.8)m**	**£(5.9)m**	**£(40.8)m**
Adjusted operating expenses FY16	£(29.7)m	£(3.8)m	£(6.6)m	£(40.1)m
Change at constant exchange rate	3%	(52)%	(11)%	(4)%
Change at actual exchange rate	11%	(52)%	(11)%	2%
EBITDA[2] FY17	**£(4.2)m**	**£(1.7)m**	**£(5.9)m**	**£(11.8)m**
EBITDA FY16	£(5.8)m	£(3.8)m	£(6.6)m	£(16.2)m
Change at constant exchange rate	(35)%	(55)%	(11)%	(31)%
Change at actual exchange rate	(28)%	(55)%	(11)%	(28)%

[1]Excludes the results of Tungsten Bank from both reported periods
[2]Adjusted operating expenses and EBITDA exclude depreciation, amortisation, impairment, discontinued operations, and share-based payments charges
[3]Excludes Tungsten Bank adjusted operating expenses of £2.8 million in FY16. Including these, the variances are 11% reduction on a constant exchange rate and 5% reduction at the actual exchange rate

Group EBITDA loss was £11.8 million (FY16 re-presented: £16.2 million), a reduction of 27%. The improvement of £4.4 million reflects a £5.4 million increase in revenue, offset by a £0.4 million increase in cost of sales and a £0.7 million increase in adjusted operating expenses.

On a constant currency basis, the Group EBITDA loss would have been £11.2 million, a reduction of 31%. On a constant currency basis revenue increased by 12% (£3.2 million), whilst cost of sales and adjusted operating expenses fell by 2% (£40,000) and 4% (£1.8 million) respectively. The net impact of the change in currencies was a reduction in the reported EBITDA by £0.6 million.

The reduction in constant currency adjusted operating expenses reflects disciplined changes as a resulting from the reorganisation and reengineering of the business. Our programmes of work include enhancing our procurement processes, increasing automation and rationalising activities into centres of excellence. Where the return is appropriate, we have increased operational expenditure, primarily in systems and development costs. These totalled an additional £1.5 million in the period. We also incurred one-off costs of £1.2 million, reflecting contract cancelation, write-offs and redundancy costs.

Adjusted operating expenses included a reduction in costs in Tungsten Network Finance by £2.0 million compared to the prior year, and reduced Corporate costs of £0.7 million. These were partly offset by an increase in costs in Tungsten Network of £3.4 million, where the additional systems and development and the one-off costs were incurred.

Loss before tax:

The Group loss before tax from continuing operations was £12.7 million (FY16 re-presented and restated: loss of £18.5 million). This includes:

- Depreciation and amortisation of £2.8 million (FY16: £2.5 million)
- Share based payment expense of £0.4 million (FY16: £0.5 million)
- Net finance income of £2.3 million (FY16 re-presented and restated: £0.4 million)

The comparative includes other income of £0.3 million.

The increase in depreciation and amortisation of £0.3 million primarily relates to the write-off of certain intangible assets which no longer met the criteria for capitalisation.

The net finance income represented £2.9 million of net gains on the revaluation of intercompany loans to overseas subsidiaries less £0.6 million of interest expenses and bank charges.

Loss for the year:

The statutory Group loss for the year was £12.5 million (FY16 re-presented and restated: £27.2 million). A tax credit of £0.4 million (FY16: £0.7 million) includes a reduction of £0.4 million in the deferred tax liability relating to the acquisition of Tungsten Network.

The Group has an unrecognised deferred tax asset of approximately £12.9 million that is available for offset against future tax expenses in the companies in which losses arise.

The statutory loss includes a loss from the discontinued operation of £0.2 million (FY16: £9.4 million). The loss from discontinued operation reflected a gain on the sale of Tungsten Bank of £1.9 million offset by a net loss of Tungsten Bank from the start of the financial year to the date of sale of £2.1 million.

Cash flow:

Cash and cash equivalents at the end of FY17 were £17.5 million, or £21.8 million including self-funded invoice receivables of £4.3 million. The comparative at the end of FY16 was £9.3 million excluding Tungsten Bank and £27.0 million including Tungsten Bank.

The cash outflow from operating activities was £15.2 million (FY16: £21.7 million). This included:

- A cash outflow generated from operations of £12.3 million (FY16: £18.1 million);
- An inflow from trade and other receivables of £0.3 million (FY16: £1.6 million outflow);
- An outflow in respect of invoice receivables of £4.3 million (FY16: nil);
- An outflow from a decrease in trade and other payables of £2.0 million (FY16: £0.8 million);
- Net interest paid of £0.4 million (FY16: £0.3 million); and
- A working capital inflow from discontinued operation of £3.6 million (FY16: outflow of £0.9 million).

There was a £0.3 million inflow from trade and other receivables (FY16: outflow of £1.6 million). This was primarily due to a reduction in trade receivables of £1.3 million, demonstrating the impact of people and process changes within our billing and credit control teams. This was offset by the unwind of the £1.1 million deposit paid by the purchasers of Tungsten Bank, held as a credit to trade and other receivables at 30 April 2016. The balance of the movement in trade and other receivables includes a number of other smaller movements.

Invoice receivables represent outstanding Early Payment invoices that were financed by the Group on a transitional basis prior to the implementation of additional funding arrangements with our partners. Subsequent to the year-end, all of these Early Payment invoices had been repaid except invoices totalling £35,000. The outstanding invoices are scheduled to be repaid by 2 August 2017.

An increase in trade and other payables of £2.0 million primarily reflects an increase in accrued expenses of £2.4 million. The balance of the movement in trade and other payables includes a number of other smaller movements.

The cash inflow from investing activities was £25.4 million (FY16: outflow of £1.2 million). This includes an outflow of £4.3 million from the purchase and capitalisation of fixed assets, and an inflow from the sale of Tungsten Bank of £29.7 million.

Continuing and discontinued operation cash flow:

FY17 Cash Flow	Continuing operations	Discontinued operation	Group
Net cash inflow / (outflow) from operating activities	£(18.5)m	£3.4m	£(15.2)m
Net cash inflow / (outflow) from investing activities	£(4.3)m	£29.7m	£25.4m
Net cash inflow from financing activities	-	-	-
Net increase / (decrease) in cash & cash equivalents	£(22.9)m	£33.1m	£10.2m
Exchange adjustments	£0.9m	-	£0.9m
Cash and cash equivalents at the start of the period	£9.3m	£17.8m	£27.0m
Cash held in disposal group	-	£(20.6)m	£(20.6)m
Cash and cash equivalents at the end of the period	£(12.8)m	£30.3m	£17.5m

The total cash outflow from continuing operations was £22.9 million. This includes an outflow in respect of the purchase of invoice receivables of £4.3 million. Net of this movement, the total cash outflow from continuing operations was £18.6 million.

The total net cash impact of discontinued operations was £30.3 million. This reflects:

- An inflow from operating activities of £3.4 million (£0.2 million loss before taxation offset by a £3.6 million inflow from working capital);
- An inflow from investing activities of £29.7 million; and,
- A change in the cash balance of Tungsten Bank of £2.8 million between the start of the reporting period and the date of sale.

Loss per share

The basic and diluted loss per share was 9.91p (FY16 re-presented and restated: 22.02p). On an adjusted basis excluding share-based payments, other income, impairments and acquisition-related amortisation, basic and diluted loss per share was 8.24p (FY16 re-presented and restated: 12.59p).

Net assets

The Group's financial position has been strengthened by the sale of Tungsten Bank. Net assets decreased by £14.8 million to £131.3 million during the year (FY16: £146.1 million) due to the Group's statutory loss of £12.5 million and currency translation differences of £2.7 million, offset by a movement in the share based payment reserve of £0.4 million.

David Williams
Chief Financial Officer

Consolidated income statement

	Note	Year Ended 30 April 2017	Year Ended 30 April 2016 (re-presented) (restated) (note 2)
		£'000	£'000
Revenue		31,269	25,903
Operating expenses		(46,259)	(44,774)
Operating loss		**(14,990)**	**(18,871)**
EBITDA		**(11,784)**	**(16,154)**
Depreciation and amortisation		(2,801)	(2,520)
Share based payment		(405)	(478)
Other Income		-	281
Operating loss		**(14,990)**	**(18,871)**
Finance income		6,449	1,387
Finance costs		(4,153)	(1,020)
Net finance income		**2,296**	**367**
Loss before taxation		**(12,694)**	**(18,504)**
Taxation		433	705
Loss for the year from continuing operations		**(12,261)**	**(17,799)**
Loss for the year from discontinued operation	6	(230)	(9,439)
Loss for the year		**(12,491)**	**(27,238)**
Loss per share (expressed in pence per share):			
Basic and diluted loss per share	9	(9.91)	(22.02)

Consolidated statement of comprehensive income

	Note	Year Ended 30 April 2017	Year Ended 30 April 2016 (restated) (note 2)
		£'000	£'000
Loss for the year		(12,491)	(27,238)
Other comprehensive (loss)/income:			
Currency translation differences		(2,709)	(300)
Total comprehensive loss for the year		**(15,200)**	**(27,538)**

Items in the statement above are disclosed net of tax.

Consolidated statement of financial position

Registered number: 07934335

	Note	As at 30 April 2017	As at 30 April 2016 (restated) (note 2)	As at 30 April 2015 (restated) (note 2)
		£'000	£'000	£'000
Assets				
Non-current assets				
Intangible assets	4	118,452	116,770	128,126
Property, plant and equipment	5	1,856	1,924	2,211
Trade and other receivables		469	539	624
Total non-current assets		**120,777**	**119,233**	**130,961**
Current assets				
Trade and other receivables		8,790	8,726	7,783
Invoice receivables	8	4,304	-	6,392
Cash and cash equivalents		17,498	9,268	32,603
Assets held for sale	6	-	28,737	-
Total current assets		**30,592**	**46,731**	**46,778**
Total assets		**151,369**	**165,964**	**177,739**
Capital and reserves attributable to the equity shareholders of the parent				
Share capital		553	553	454
Share premium		188,794	188,794	171,875
Shares to be issued		3,760	3,760	3,760
Merger reserve		28,035	28,035	28,035
Share based payment reserve		5,815	5,419	5,237
Other reserve		(8,964)	(6,255)	(5,955)
Accumulated losses		(86,663)	(74,172)	(46,934)
Total equity		**131,330**	**146,134**	**156,472**
Non-current liabilities				
Deferred taxation		2,630	3,010	4,006
Total non-current liabilities		**2,630**	**3,010**	**4,006**
Current liabilities				
Trade and other payables		9,529	7,490	8,628
Deferred income		7,880	8,318	8,633
Liabilities directly associated with assets held for sale	6	-	1,012	-
Total current liabilities		**17,409**	**16,820**	**17,261**
Total liabilities		**20,039**	**19,830**	**21,267**
Total equity and liabilities		**151,369**	**165,964**	**177,739**

Consolidated statement of changes in equity

Year Ended 30 April 2017

	Share capital £'000	Share premium £'000	Merger reserve £'000	Shares to be issued £'000	Share based payment reserve £'000	Other reserve (restated) £'000	Accumulated losses (restated) £'000	Total equity £'000
Balance as at 1 May 2016	553	188,794	28,035	3,760	5,419	(6,255)	(74,172)	146,134
Currency translation differences	-	-	-	-	-	(2,709)	-	(2,709)
Loss for the year	-	-	-	-	-	-	(12,491)	(12,491)
Balance as at 30 April 2017 excluding transactions with owners	**553**	**188,794**	**28,035**	**3,760**	**5,419**	**(8,964)**	**(86,663)**	**130,934**
Transaction with owners								
Shares issued during the year	-	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	396	-	-	396
Balance as at 30 April 2017	**553**	**188,794**	**28,035**	**3,760**	**5,815**	**(8,964)**	**(86,663)**	**131,330**

Year Ended 30 April 2016

	Share capital £'000	Share premium £'000	Merger reserve £'000	Shares to be issued £'000	Share based payment reserve £'000	Other reserve (restated) £'000	Accumulated losses (restated) £'000	Total equity (restated) £'000
Balance as at 1 May 2015	454	171,875	28,035	3,760	5,237	(5,955)	(46,934)	156,472
Currency translation differences	-	-	-	-	-	(300)	-	(300)
Loss for the year	-	-	-	-	-	-	(27,238)	(27,238)
Balance as at 30 April 2016 excluding transactions with owners	**454**	**171,875**	**28,035**	**3,760**	**5,237**	**(6,255)**	**(74,172)**	**128,934**
Transactions with owners								
Shares issued during the year	99	16,919	-	-	-	-	-	17,018
Share based payment expense	-	-	-	-	182	-	-	182
Balance as at 30 April 2016	**553**	**188,794**	**28,035**	**3,760**	**5,419**	**(6,255)**	**(74,172)**	**146,134**

Consolidated statement of cash flows

	Note	Year ended 30 April 2017 £'000	Year ended 30 April 2016 (restated) £'000
Cash flows from operating activities			
Loss before taxation from continuing operations		(12,694)	(18,504)
Loss before taxation from discontinued operation	6	(230)	(9,439)
Adjustments for:			
Depreciation and amortisation		2,801	2,520
Impairment loss provision of trade receivables		(262)	711
Impairment of goodwill		-	6,810
Finance costs		4,153	1,020
Finance income		(6,449)	(1,387)
Share-based payment expense		405	478
Other Income		-	(281)
Cash used in operations		**(12,276)**	**(18,072)**
Changes in working capital:			
Decrease/(increase) in trade and other receivables		268	(1,569)
Increase in invoice receivables		(4,304)	-
Decrease in trade and other payables		(2,039)	(786)
Net interest paid		(428)	(307)
Discontinued operation	6	3,615	(937)
Net cash outflow from operating activities		**(15,164)**	**(21,671)**
Cash flows from investing activities			
Capitalisation of software development costs		(3,570)	-
Purchases of other intangibles		(503)	(912)
Purchases of property, plant and equipment		(266)	(255)
Discontinued operation	6	29,713	-
Net cash inflow/(outflow) from investing activities		**25,374**	**(1,167)**
Cash flows from financing activities			
Proceeds of share issued		-	16,721
Net cash inflow from financing activities		**-**	**16,721**
Net increase/(decrease) in cash and cash equivalents		10,210	(6,117)
Cash and cash equivalents at start of year		27,023	32,603
Exchange adjustments		865	537
Cash and cash equivalents including cash held in disposal groups at end of the year		**38,098**	**27,023**
Cash held in the disposal group		(20,600)	(17,755)
Cash and cash equivalents at end of the year		**17,498**	**9,268**

Accounting Policies

1. Basis of preparation
The preliminary announcement for the year ended 30 April 2017 was approved by the Board of Directors on 21 July 2017. The financial information set out above does not constitute the Group's statutory accounts for the year ended 30 April 2017 but is derived from those accounts.

The Group's results have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

2. Prior Period Adjustment
Final completion of the sale of Tungsten Bank occurred on 21 December 2016. Its result and comparatives are re-presented as a discontinued operation.

In accordance with IAS 21, exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements should be recognised in profit or loss in the period in which they arise. Prior year financial information reflected such exchange differences in 'other comprehensive income' and 'other reserves'. Accordingly, prior year financial information has been restated for an amount of £0.6 million of net exchange losses to be reclassified from 'other comprehensive income' to 'finance income and expenses'. Opening equity has also been corrected to reflect a reclassification of accumulated net income from 'other reserves' to 'accumulated losses' for an amount of £0.6 million.

3. Segment report
Management has determined the operating segments based on the operating reports reviewed by the Board of Directors that are used to assess both performance and strategic decisions. Management has identified that the Board of Directors is the Chief Operating Decision Maker (CODM). During the year, Tungsten Bank was disposed and the sale was completed on 21 December 2016. Refer to Note 6, discontinued operations, for further information.

The Board of Directors reviews financial information for three segments: Tungsten Network (which includes the e-invoicing and spend analytics business of Tungsten Network), Tungsten Network Finance (which includes the supply chain finance business), Tungsten Corporate (which includes overheads and general corporate costs). Intersegment revenue from management fees and other intersegment charges are eliminated below.

Year ended 30 April 2017

(excluding discontinued operation)	Tungsten Network £'000	Tungsten Network Finance £'000	Corporate £'000	Total £'000
Revenue	31,117	152	-	31,269
Segment revenue	31,117	152	-	31,269
EBITDA[1] - excluding non-cash share-based payments	(4,251)	(1,682)	(5,851)	(11,784)
EBITDA - including non-cash share-based payments	(4,251)	(1,682)	(6,256)	(12,189)
Depreciation, amortisation and impairment	(1,409)	(93)	(1,299)	(2,801)
Share-based payment	-	-	(405)	(405)
Finance income	5,483	84	882	6,449
Finance cost	(3,294)	(286)	(573)	(4,153)
Loss before taxation	(3,471)	(1,977)	(7,246)	(12,694)
Income tax credit				433
Loss for the year from continuing operations				(12,261)
Loss for the year from discontinued operation				(230)
Loss for the year				(12,491)
Capital expenditure	3,737	-	602	4,339
Total assets	133,849	5,064	12,456	151,369
Total liabilities	14,960	460	4,619	20,039

Year ended 30 April 2016 (re-presented and restated)

(excluding discontinued operation)	Tungsten Network £'000	Tungsten Network Finance £'000	Corporate £'000	Total £'000
Revenue	25,889	14	-	25,903
Segment revenue	25,889	14	-	25,903
EBITDA[1] - excluding non-cash share-based payments	(5,768)	(3,779)	(6,607)	(16,154)
EBITDA - including non-cash share-based payments	(5,770)	(3,779)	(7,083)	(16,632)
Depreciation, amortisation and impairment	(2,259)	(89)	(172)	(2,520)
Share-based payment	(2)	-	(476)	(478)
Finance income	1,058	-	329	1,387
Finance cost	(832)	(185)	(3)	(1,020)
Other income	281	-	-	281
Loss before taxation	(7,522)	(4,053)	(6,929)	(18,504)
Income tax credit				705
Loss for the year				(17,799)
Capital expenditure	900	31	66	997
Total assets	127,488	292	9,447	137,227
Total liabilities	15,862	580	2,376	18,818

[1] EBITDA loss is defined as operating loss from continuing operations before other income, depreciation and amortisation.

4. Intangible assets

Year ended 30 April 2017

Cost	Goodwill £'000	Customer relationships £'000	IT platform £'000	Software £'000	Software development under construction £'000	Total £'000
Balance at 1 May 2016	101,668	11,103	6,956	1,908	-	121,635
Additions	-	-	-	503	3,570	4,073
Disposals	-	-	(109)	(1,760)	-	(1,869)
Exchange differences	381	13	341	9	-	744
Balance at 30 April 2017	102,049	11,116	7,188	660	3,570	124,583
Accumulated amortisation						
Balance at 1 May 2016	-	1,431	2,414	1,020	-	4,865
Amortisation charge	-	573	896	982	-	2,451
Disposals	-	-	-	(1,599)	-	(1,599)
Exchange differences	-	3	384	27	-	414
Balance at 30 April 2017	-	2,007	3,694	430	-	6,131
Net asset value as at 30 April 2016	101,668	9,672	4,542	888	-	116,770
Net asset value as at 30 April 2017	102,049	9,109	3,494	230	3,570	118,452

Impairment testing is carried out at cash generating unit (CGU) level on an annual basis. The following is a summary of the goodwill allocation for each reporting segment:

	30 April 2017 £'000	30 April 2016 £'000
Tungsten Network	102,049	101,668
Total goodwill	102,049	101,668

The Group has estimated the recoverable amount of the Tungsten Network CGU using a value-in-use model by projecting cash flows for the next five years together with a terminal value using a growth rate. The five-year plan used in the impairment models are based on Board approved budgets and management's past experience and future expectations of performance. The cash flow projections are based on the following key assumptions:

- Revenue growth from buyers and suppliers using the Tungsten Network, including Tungsten Workflow and Tungsten Analytics at a compound annual growth rate of 15%
- Pre-tax discount rate of 11.75% (2016: 14.4%), being based on the Group's weighted average cost of capital (WACC)
- Growth rate used in the annuity of 2.0% (2016: 2.0%). This does not exceed the long-term expected economic average growth of the territories in which the Group operates in

Based on the above assumptions, Tungsten Network exceeded the carrying value of the CGU by £69.7 million (2016: £21.3 million). The recoverable amount of the Tungsten Network CGU was particularly sensitive to changes in the compound annual revenue growth rate. Assuming that there is a reduction in the compound annual growth rate to 9.0% the recoverable amount would equal the carrying value of the CGU.

5. Property, plant and equipment

Year ended 30 April 2017

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost				
Balance at 1 May 2016	2,366	563	2,532	5,461
Additions	8	46	212	266
Disposals	(552)	(398)	(2,444)	(3,394)
Exchange differences	1	9	24	34
Balance at 30 April 2017	1,823	220	324	2,367
Accumulated depreciation				
Balance at 1 May 2016	768	429	2,340	3,537
Charge for the year	156	35	159	350
Disposals	(552)	(396)	(2,442)	(3,390)
Exchange differences	1	2	11	14
Balance at 30 April 2017	373	70	68	511
Net Book Value				
At 30 April 2016	1,598	134	192	1,924
At 30 April 2017	1,450	150	256	1,856

6. Discontinued operation and assets held for sale

On 16 November 2016, Tungsten announced that the sale of Tungsten Bank had received the regulatory approval with final completion of 21 December 2016.

The sale was completed on 21 December 2016 and is reported in the current year as a discontinued operation. The financial performance and cash flow information relating to the discontinued operation for the period to the date of disposal is set out below.

The table below show the financial performance and cash flow information of the discontinued operation which are included in the Group income statement and Group cash flow respectively.

	Period Ended 21 December 2016	Year Ended 30 April 2016
	£'000	£'000
Revenue	272	180
Operating expenses	(2,236)	(9,584)
Operating loss	(1,964)	(9,404)
EBITDA	(1,964)	(2,594)
Impairment	-	(6,810)
Operating loss	(1,964)	(9,404)
Finance costs	(134)	(35)
Loss before taxation	(2,098)	(9,439)
Taxation	-	-
Loss for the year	(2,098)	(9,439)
Gain of sale of the subsidiary	1,868	-
Loss from discontinued operation	(230)	(9,439)

	Period Ended 21 December 2016	Year Ended 30 April 2016
	£'000	£'000
Net cash inflow/(outflow) from operating activities	3,615	(3,836)
Net cash inflow from investing activities (21 December 2016 includes an inflow of £29.6m from the sale of the subsidiary)	29,713	-
Net cash outflow from financing activities	-	(170)
Net increase/(decrease) in cash generated by the discontinued operation	33,328	(4,006)
Cash and cash equivalents at start of year	17,755	19,495
Cash held in the disposal group	(20,600)	(17,755)
Cash and cash equivalents at end of the year from disposal group	30,483	(2,266)

Details of the sale of the subsidiary

	Period Ended 21 December 2016	Year Ended 30 April 2016
	£'000	£'000
Consideration received	29,635	-
Cost associated with the sale	(1,042)	-
	28,593	-
Carrying amount of net assets sold	(26,725)	-
Gain on sale before taxation	1,868	-
Taxation	-	-
Gain on sale after taxation	1,868	-

The carrying amounts of assets and liabilities as at the date of sale, 21 December 2016 were:

	As at 21 December 2016
	£'000
Intangible assets	3,316
Fixed assets	29
Trade and other receivables	3,864
Cash and cash equivalents	20,600
Total assets of the disposal group	27,809
Liabilities directly associated with assets held for sale	
Trade and other payables	424
Deferred taxation	660
Total liabilities of the disposal group	1,084
Total net assets of the disposal group	26,725

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation as at 30 April 2016.

	As at 30 April 2016
	£'000
Intangible assets	10,280
Impairment	(6,810)
Trade and other receivables	183
Invoice receivables	7,329
Cash and cash equivalents	17,755
Total assets of the disposal group	28,737
Liabilities directly associated with assets held for sale	
Trade and other payables	352
Deferred taxation	660
Total liabilities of the disposal group	1,012
Total net assets of the disposal group	27,725

7. Share capital and share premium

Issued and fully paid	Ordinary shares Number	Norminal value	Share capital £'000	Share Premium £'000
Balance as at 1 May 2015	103,529,412	£0.004385	454	171,875
Shares issued during the year	22,539,985	£0.004392	99	16,919
Balance as at 30 April 2016	126,069,397	£0.004386	553	188,794
Shares issued during the year	-	-	-	-
Balance as at 30 April 2017	**126,069,397**		**553**	**188,794**

8. Invoice receivables

The invoice receivables represent outstanding Early Payment invoices that were financed by the Group on a transitional basis prior to the implementation of additional funding arrangements with our partners. Tungsten purchases invoices from approved Suppliers on Tungsten Network, which are then sold to a funding partner. In the reporting period these funding partners were Tungsten Network Finance (self-funded), Insight Investment and Tungsten Bank.

9. Loss per share

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

	Year ended 30 April 2017			Year ended 30 April 2016		
	Loss £'000	Shares '000	Loss per share P	Loss £'000	Shares '000	Loss per share P
Basic and diluted	(12,491)	126,069	(9.91)	(27,238)	123,715	(22.02)

EPS may be subject to future dilution as a result of the issue of shares pursuant to the LTIP Securities and SAYE scheme.

10. Related-party transactions

The Group entered into the following transactions with related parties in the ordinary course of business:

	For the year ended 30 April 2017 £'000	For the year ended 30 April 2016 £'000
Purchase of services	64	1,094

Canaccord Genuity Limited is corporate broker to the Group and acted as the sole book runner on the placing that took place during the year ended 30 April 2016. Peter Kiernan held the position of Chairman of European Investment Banking at Canaccord Genuity until June 2015 and subsequently became a senior adviser to the firm from which position he stepped down on 30 September 2016. As a consequence of these roles, Canaccord Genuity was considered a related party of the Tungsten Group until 30 September 2016. Mr. Kiernan took no part in the negotiation of the terms of Canaccord Genuity's engagement or the terms of the Placing Agreement for the share placing which took place during the year ended 30 April 2016. During the year ended 30 April 2017, the Group paid fees for services received from Canaccord Genuity totalling £64,000 (2016: £0.7 million).

Transactions between Group entities principally relate to intercompany financing arrangements, which are eliminated on consolidation.

Key management personnel

Key management includes Directors – Executive and Non-Executive – who are responsible for controlling and directing the activities of the Group. The compensation paid or payable to key management for employee services is shown below:

Further details of the Directors' remuneration can be found in the table on page 41 of the Annual Report and financial statements 2017.

	Year ended 30 April 2017 £'000	Year ended 30 April 2016 £'000
Short-term employee benefits	1,579	1,763
Share-based payments	405	478
Total	1,984	2,241

Further details of the Directors' remuneration can be found in the table on page 41 of the Annual Report and financial statements 2017.