

Registered number: 06074653

NETWORK SPACE CAPITAL LIMITED

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 30 JUNE 2022

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NETWORK SPACE CAPITAL LIMITED

COMPANY INFORMATION

Directors	D M Adamson R J Ainscough
Registered number	06074653
Registered office	Centrix House Crow Lane East Newton Le Willows St Helens Merseyside WA12 9UY
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS

NETWORK SPACE CAPITAL LIMITED

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Report to the directors on the preparation of the unaudited statutory financial statements of Network Space Capital Limited for the year ended 30 June 2022

We have compiled the accompanying financial statements of Network Space Capital Limited (the 'company') based on the information you have provided. These financial statements comprise the Statement of Financial Position of Network Space Capital Limited as at 30 June 2022, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), 'Compilation Engagements'.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter dated 20 September 2022. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Company's directors, as a body, in this report in accordance with our engagement letter dated 20 September 2022. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its directors, as a body, for our work or for this report.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Liverpool

Date: 30/11/2022

NETWORK SPACE CAPITAL LIMITED
REGISTERED NUMBER:06074653

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	4	829,331	1
Current assets			
Debtors: amounts falling due within one year	5	2,168,213	8,241,315
Bank and cash balances		121,491	3,348
		<u>2,289,704</u>	<u>8,244,663</u>
Creditors: amounts falling due within one year	6	(1,726,690)	(7,620,524)
Net current assets		<u>563,014</u>	<u>624,139</u>
Total assets less current liabilities		<u>1,392,345</u>	<u>624,140</u>
Net assets		<u>1,392,345</u>	<u>624,140</u>
Capital and reserves			
Called up share capital		2	2
Other reserves		347,009	347,009
Profit and loss account		1,045,334	277,129
		<u>1,392,345</u>	<u>624,140</u>

NETWORK SPACE CAPITAL LIMITED
REGISTERED NUMBER:06074653

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2022

The directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



D M Adamson
Director

Date: 30/11/2022

The notes on pages 4 to 8 form part of these financial statements.

NETWORK SPACE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. General information

Network Space Capital Limited is a private company limited by shares and incorporated in England and Wales. Its registered number is 06074653 and its registered office is Centrix House, Crow Lane East, Newton Le Willows, St Helens, Merseyside, WA12 9UY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional and presentational currency is pound sterling (£).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have produced forecasts and business models for the company covering the period to June 2025. These forecasts identify that the company can meet its day to day working capital requirements through current cash resources, group funding and external lending facilities.

The Board scrutinise the business plans on a regular basis, using techniques including scenario modelling and IRR monitoring. Sensitivity analysis is regularly performed on rental levels, exit yields, costs and interest rates. At the time of signing the accounts, the Board are satisfied that the activities of the company remain profitable.

The directors confirm that should it be required, financial support from the parent company remains available, and that no company in the group will recall any amounts owed to it by the company, unless the company is in a position to meet the repayment.

The main Group Board of Network Space Holdings continue to meet at regular, frequent intervals, which in addition to operational Board cycles ensure that the Group's resources are adequately allocated to its subsidiaries at the correct time.

At the time of signing of the financial statements, the directors are satisfied that the processes employed to monitor business operations remain robust and the results of these processes continue to confirm that adoption of the going concern assumption is correct.

2.3 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.5 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2.6 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment. Shares of profits or losses from the Joint Ventures are automatically allocated to the company in the appropriate proportion for the corresponding accounting period, as per the membership agreement.

2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that *are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.* However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit or loss.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £Nil).

4. Fixed asset investments

	Investment in joint ventures £
Cost or valuation	
At 1 July 2021	1
Additions	100,000
Share of profit from joint venture	729,330
	<hr/>
At 30 June 2022	829,331 <hr/>

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

4. Fixed asset investments (continued)

Joint ventures

The following were joint ventures of the company:

Name	Registered office	Holding
Interchange 26 LLP	United Kingdom	50%
Stalk Farm Developments LLP	United Kingdom	50%

In the year ended 30 June 2020, the company entered into an LLP agreement with Opus North (Bierley) LLP in relation to the organisation and management of Interchange 26 LLP and entered into a loan agreement with the joint venture to the company with a maximum of £9.165m (2021: £9.165m) to acquire and remediate land for development.

In the year ended 30 June 2022, Network Space Capital Limited entered into an LLP agreement with MWB Residence Ltd in relation to the organisation and management of Stalk Farm Developments LLP and entered into a loan agreement with the joint venture to the company with a maximum of £1,765,000 to acquire and develop residential land.

5. Debtors

	2022	2021
	£	£
Amounts owed by joint ventures and associated undertakings	<u>2,168,213</u>	<u>8,241,315</u>

In the year ended 30 June 2020, the company entered into an LLP agreement with Opus North (Bierley) LLP in relation to the organisation and management of Interchange 26 LLP and entered into a loan agreement with the joint venture to the company with a maximum of £9.165m (2021: £9.165m) to acquire and remediate land for development. At the year end the amounts owed to the company by the joint venture was £1,443,824 (2021: £8,241,315).

In the year ended 30 June 2022, Network Space Capital Limited entered into an LLP agreement with MWB Residence Ltd in relation to the organisation and management of Stalk Farm Developments LLP and entered into a loan agreement with the joint venture to the company with a maximum of £1,765,000 to acquire and develop residential land. At the year end the amounts owed to the company by the joint venture was £724,389.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

6. Creditors: Amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	1,590,410	7,528,578
Corporation tax	132,154	86,237
Other creditors	1	1
Accruals and deferred income	4,125	5,708
	<u>1,726,690</u>	<u>7,620,524</u>

7. Deferred taxation

The company has an un-provided deferred tax asset of £21,650 (2021: £21,650) relating to unrelieved tax losses. The directors have not recognised this asset on the basis that they believe it will take some time to recover.

8. Related party transactions

As a wholly owned subsidiary of Datum Edge Limited, the company is exempt from requirements of FRS102 Section 33 to disclose transactions with wholly owned members of the group.

9. Ultimate holding company and controlling party

The parent and controlling party of the company is Network Space Holdings Limited, a company registered in England and Wales. Network Space Holdings Limited is a 100% subsidiary of Datum Edge Limited and the smallest group into which Network Space Capital Limited is consolidated. Copies of the Network Space Holdings Limited accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The largest group in which the results of the company are consolidated is that headed by the ultimate parent undertaking, Datum Edge Limited. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The majority of the shares in Datum Edge Limited are owned by Mr R Ainscough who is the ultimate controlling party.