

Registered number: 06074653

NETWORK SPACE CAPITAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020



NETWORK SPACE CAPITAL LIMITED

COMPANY INFORMATION

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

NETWORK SPACE CAPITAL LIMITED

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NETWORK SPACE CAPITAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Principal activity

The principle activity of the company is the investment in and the management of properties.

Results and dividends

The profit for the year, after taxation, amounted to £256,498 (2019 - £Nil).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

R J Ainscough
D M Adamson

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the company 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;
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal risks and uncertainties

The company has a quarterly board meeting. performance is monitored against a detailed budget and revised forecasts are updated regularly. This quarterly meeting includes a Managing Directors' report, a development and property report, a finance report, consideration of other operational issues and a marketing report.

NETWORK SPACE CAPITAL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

Post balance sheet events

There have been no significant events affecting the company since the year end.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



D M Adamson
Director

Date: 30/6/2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK SPACE CAPITAL LIMITED

Opinion

We have audited the financial statements of Network Space Capital Limited (the 'company') for the year ended 30 June 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and 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 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 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

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK SPACE CAPITAL LIMITED
(CONTINUED)**

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 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK SPACE CAPITAL LIMITED
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK SPACE CAPITAL LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Carl Williams FCCA
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
Date: 30/6/2021

NETWORK SPACE CAPITAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
Administrative expenses	(16)	-
Operating (loss)/profit	(16)	-
Interest receivable and similar income	493,934	-
Interest payable and expenses	(177,351)	-
Profit before tax	316,567	-
Tax on profit	(60,069)	-
Profit for the financial year	256,498	-
Other comprehensive income for the year		
Loan forgiven	-	347,009
Other comprehensive income for the year	-	347,009
Total comprehensive income for the year	256,498	347,009

The notes on pages 10 to 16 form part of these financial statements.

NETWORK SPACE CAPITAL LIMITED
REGISTERED NUMBER:06074653

BALANCE SHEET
AS AT 30 JUNE 2020

	Note	2020 £	2019 £
Fixed assets			
Investments		1	-
		<u>1</u>	<u>-</u>
Current assets			
Debtors: amounts falling due within one year	7	6,393,932	-
Cash at bank and in hand	8	485	-
		<u>6,394,417</u>	<u>-</u>
Creditors: amounts falling due within one year	9	(6,137,920)	-
		<u>256,497</u>	<u>-</u>
Net current assets		<u>256,497</u>	<u>-</u>
Total assets less current liabilities		<u>256,498</u>	<u>-</u>
Net assets		<u>256,498</u>	<u>-</u>
Capital and reserves			
Called up share capital	11	2	2
Other reserves	12	347,009	347,009
Profit and loss account	12	(90,513)	(347,011)
		<u>256,498</u>	<u>-</u>

The company's financial statements have been prepared in accordance with the 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

D M Adamson
 Director

Date: 30/6/2021

The notes on pages 10 to 16 form part of these financial statements.

NETWORK SPACE CAPITAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 July 2018	2	-	(347,011)	(347,009)
Profit for the year	-	-	-	-
Loan forgiven	-	347,009	-	347,009
At 1 July 2019	2	347,009	(347,011)	-
Comprehensive income for the year				
Profit for the year	-	-	256,498	256,498
At 30 June 2020	2	347,009	(90,513)	256,498

NETWORK SPACE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

Network Space Capital Limited (formerly NS Artisan Limited) is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Network Space Holdings Limited as at 30 June 2020 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

NETWORK SPACE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.3 Going concern

The directors have produced forecasts and business models for the company covering the period to June 2024. These forecasts identify that the company can meet its day to day working capital requirements through current cash resources and availability of group funding through its parent company Network Space Holdings Limited.

In light of the increased economic uncertainty caused by the ongoing Covid-19 pandemic, the directors have obtained confirmation of support from their parent company to ensure that adequate financial support is available should it be required and confirmation that no company within the group will recall any amounts due from another group company unless the company owing any amounts are in a position to do so.

The main Group Board continues to meet at frequent, regular intervals, which in addition to regular Board cycles, ensure that adequate resource, skill and financial support is afforded to each area of the business in a timely manner.

At the time of signing the financial statements, the company had seen negligible impact on the operations of the company. The directors are therefore satisfied that the regular processes employed to monitor business operations continue to confirm that adoption of the going concern assumption is correct.

2.4 Interest income

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

2.5 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.

2.6 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 balance sheet date in the countries where the company operates and generates income.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.9 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.

2.10 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.

2.11 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.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.12 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.

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 Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The directors do not consider there to be any significant sources of estimation or judgement in the preparation of these financial statements.

4. Auditor's remuneration

The audit fee for the year was borne by the company's parent company, Network Space Holdings Limited.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

5. Employees

The Company has no employees other than the directors , who did not receive any remuneration (2019 - £Nil).

6. Fixed asset investments

	Investment in joint ventures £
Cost or valuation	
Additions	1
At 30 June 2020	<u>1</u>

Joint venture

The following was a joint venture of the company:

Name	Registered office	Holding
Interchange 26 LLP	United Kingdom	50%

On 20 June 2019 Network Space Capital acquired a 50% stake in Interchange 26 LLP for £1. During the year, the company has 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 £8.265m to acquire land for development.

7. Debtors

	2020 £	2019 £
Amounts owed by joint ventures and associated undertakings	<u>6,393,932</u>	<u>-</u>

During the year, the company has 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 £8.265m to acquire land for development. At the year end the amounts owed to the company by the joint venture was £6,394,000.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>485</u>	<u>-</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	6,079,703	-
Corporation tax	58,216	-
Other creditors	1	-
	<u>6,137,920</u>	<u>-</u>

10. Deferred taxation

The company has an un-provided deferred tax asset of £16,454 (2019: £16,454) 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.

11. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2 Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

12. Reserves**Other reserves**

Other reserves relates to a capital contribution regarding a loan forgiven by a group company.

Profit and loss account

Includes all current and prior period retained profits and losses.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

13. 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 members of the group.

No key management personnel received remuneration from the company in either current or prior year.

14. Ultimate holding company and controlling party

The parent and controlling party of the company up until 3 June 2019 was Network Space Land Limited, and from this date it was 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.