

Registered number: 06074653

NETWORK SPACE CAPITAL LIMITED

UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

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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 |
| Accountants | Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS |

NETWORK SPACE CAPITAL LIMITED

CONTENTS

| | Page |
|--|--------|
| Directors' Report | 1 |
| Accountant's Report | 2 |
| Profit and Loss Account | 3 |
| Balance Sheet | 4 |
| Notes to the Financial Statements | 5 - 10 |

NETWORK SPACE CAPITAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

The directors present their report and the unaudited financial statements for the year ended 30 June 2021.

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 unaudited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare unaudited financial statements for each financial year. Under that law the directors have elected to prepare the unaudited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the unaudited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these unaudited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the unaudited 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 to enable them to ensure that the unaudited 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.

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: 29/11/2021



Report to the directors on the preparation of the unaudited statutory financial statements of Network Space Capital Limited for the year ended 30 June 2021

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 Balance Sheet of Network Space Capital Limited as at 30 June 2021, and the Profit and Loss Account for the year then ended, 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 8 November 2021. 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 8 November 2021. 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: 29/11/2021

NETWORK SPACE CAPITAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2021**

| | Note | 2021 £ | 2020 £ |
|--|------|-----------------|----------------|
| Administrative expenses | | (11,536) | (16) |
| Operating loss | | (11,536) | (16) |
| Interest receivable and similar income | | 676,141 | 493,934 |
| Interest payable and similar expenses | | (210,726) | (177,351) |
| Profit before tax | | 453,879 | 316,567 |
| Tax on profit | 4 | (86,237) | (60,069) |
| Profit for the financial year | | 367,642 | 256,498 |

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 5 to 10 form part of these financial statements.

NETWORK SPACE CAPITAL LIMITED
REGISTERED NUMBER:06074653

BALANCE SHEET
AS AT 30 JUNE 2021

| | Note | 2021 £ | 2020 £ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Investments | 5 | 1 | 1 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 8,241,315 | 6,393,932 |
| Cash at bank and in hand | | 3,348 | 485 |
| | | <u>8,244,663</u> | <u>6,394,417</u> |
| Creditors: amounts falling due within one year | 7 | (7,620,524) | (6,137,920) |
| Net current assets | | <u>624,139</u> | <u>256,497</u> |
| Total assets less current liabilities | | <u>624,140</u> | <u>256,498</u> |
| Net assets | | <u><u>624,140</u></u> | <u><u>256,498</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 2 | 2 |
| Other reserves | | 347,009 | 347,009 |
| Profit and loss account | | 277,129 | (90,513) |
| | | <u>624,140</u> | <u>256,498</u> |

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

DM Adamson

D M Adamson
 Director

Date: 29/11/2021

The notes on pages 5 to 10 form part of these financial statements.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

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 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.

The directors confirm that adequate financial support is available should it be required and confirm 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.

2.3 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 2021**

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 balance sheet 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.

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.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

2. Accounting policies (continued)

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.

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 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. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £Nil).

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

4. Taxation

| | 2021 £ | 2020 £ |
|-------------------------------------|----------------------|----------------------|
| Corporation tax | | |
| Current tax on profits for the year | 86,237 | 58,216 |
| | <u>86,237</u> | <u>58,216</u> |
| Group taxation relief | - | 1,853 |
| | <u>86,237</u> | <u>60,069</u> |
| Total current tax | <u><u>86,237</u></u> | <u><u>60,069</u></u> |

5. Fixed asset investments

| | Investment in joint ventures £ |
|--------------------------|---|
| Cost or valuation | |
| At 1 July 2020 | 1 |
| At 30 June 2021 | <u><u>1</u></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. 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 (2020: £8.265m) to acquire and remediate land for development.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

6. Debtors

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Amounts owed by joint ventures and associated undertakings | 8,241,315 | 6,393,932 |

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 (2020: £8.265m) to acquire and remediate land for development. At the year end the amounts owed to the company by the joint venture was £8,241,315 (2020: £6,393,932).

7. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|------------------|
| Amounts owed to group undertakings | 7,528,578 | 6,079,703 |
| Corporation tax | 86,237 | 58,216 |
| Other creditors | 1 | 1 |
| Accruals and deferred income | 5,708 | - |
| | 7,620,524 | 6,137,920 |

8. Deferred taxation

The company has an un-provided deferred tax asset of £21,650 (2020: £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.

9. 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.

10. Post balance sheet events

On 8 July 2021, the Company received the sum of £6,406,500 by way of partial repayment of the loan balance owed to it.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

11. 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 3UJ.

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.

NETWORK SPACE CAPITAL LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2021**

| | 2021 | 2020 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Administration expenses | (11,536) | (16) |
| Operating loss | (11,536) | (16) |
| Interest receivable | 676,141 | 493,934 |
| Interest payable | (210,726) | (177,351) |
| Tax on profit on ordinary activities | (86,237) | (60,069) |
| Profit for the year | 367,642 | 256,498 |

NETWORK SPACE CAPITAL LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021**

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|----------------|
| Administration expenses | | |
| Legal and professional | 11,470 | - |
| Bank charges | 66 | 16 |
| | <u>11,536</u> | <u>16</u> |
| | 2021 £ | 2020 £ |
| Interest receivable | | |
| Joint ventures interest receivable | <u>676,141</u> | <u>493,934</u> |
| | 2021 £ | 2020 £ |
| Interest payable | | |
| Other loan interest payable | <u>210,726</u> | <u>177,351</u> |
