

Registered number: 06074653

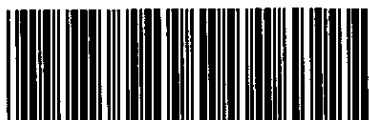
NETWORK SPACE CAPITAL LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

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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 Merseyside WA12 9UY
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS
Bankers	Bank of Scotland Edinburgh Royal Mile Brand PO Box 100 Edinburgh BX2 1LB

NETWORK SPACE CAPITAL LIMITED

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NETWORK SPACE CAPITAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report and the unaudited financial statements for the year ended 30 June 2023.

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.

Directors

The directors who served during the year were:

D M Adamson
R J Ainscough

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: 12/12/2023



Report to the directors on the preparation of the unaudited statutory financial statements of Network Space Capital Limited for the year ended 30 June 2023

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 2023, 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 28 September 2023. 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 28 September 2023. 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: 12/12/2023

NETWORK SPACE CAPITAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Administrative expenses		(941,058)	(3,190)
Operating loss		(941,058)	(3,190)
Income from other participating interests		(1,130,409)	729,330
Interest receivable and similar income		474,062	279,610
Interest payable and similar expenses		(297,669)	(57,347)
(Loss)/profit before tax		(1,895,074)	948,403
Tax on (loss)/profit	4	239,909	(180,198)
(Loss)/profit for the financial year		(1,655,165)	768,205

There are no items of other comprehensive income for 2023 or 2022 other than the (loss)/profit for the year. As a result, no separate Statement of Comprehensive Income has been presented.

The notes on pages 6 to 11 form part of these financial statements.

NETWORK SPACE CAPITAL LIMITED
REGISTERED NUMBER: 06074653

BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	5	186,463	829,331
Current assets			
Debtors: amounts falling due within one year	6	3,889,909	2,168,213
Bank and cash balances		3,763	121,491
		<u>3,893,672</u>	<u>2,289,704</u>
Creditors: amounts falling due within one year	7	(4,342,955)	(1,726,690)
Net current (liabilities)/assets		<u>(449,283)</u>	<u>563,014</u>
Total assets less current liabilities		<u>(262,820)</u>	<u>1,392,345</u>
Net (liabilities)/assets		<u>(262,820)</u>	<u>1,392,345</u>
Capital and reserves			
Called up share capital		2	2
Other reserves		347,009	347,009
Profit and loss account		(609,831)	1,045,334
		<u>(262,820)</u>	<u>1,392,345</u>

NETWORK SPACE CAPITAL LIMITED
REGISTERED NUMBER:06074653

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2023

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



D M Adamson
Director

Date: 12/12/2023

The notes on pages 6 to 11 form part of these financial statements.

NETWORK SPACE CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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, 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 December 2024. 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 the Profit and Loss Account 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 2023**

2. Accounting policies (continued)**2.5 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.6 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment and accumulated losses up to the point accumulated losses exceed the cost less impairment, at which point any further losses are only recognised in so far as the company has a legal obligation to meet these costs. 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.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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 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 average monthly number of employees, including directors, during the year was 0 (2022: 0).

4. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	-	180,198
Deferred tax		
Origination and reversal of timing differences	(239,909)	-
Taxation on (loss)/profit on ordinary activities	(239,909)	180,198

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

5. Fixed asset investments

	Investment in joint ventures £
Cost or valuation	
At 1 July 2022	829,331
Share of profit/(loss)	(642,868)
At 30 June 2023	186,463

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 (2022: £9.165m) to acquire and remediate land for development. At the end of the year ended 30 June 2023, the investment has a £nil carrying value, with the losses attributable to the Company for the year being £1,216,872. As such, the losses recognised have been offset against the carrying value of the investment at the start of the year, this being £729,331, and a remaining bad debt provision has been set against the outstanding loan receivable.

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 £1.765m to acquire and develop residential land. At the end of year ended 30 June 2023, the carrying value of the investment is £186,463, with the profit attributable to the Company's holdings for the year being £86,463.

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

6. Debtors

	2023 £	2022 £
Amounts owed by joint ventures and associated undertakings	3,650,000	2,168,213
Deferred taxation	239,909	-
	<u>3,889,909</u>	<u>2,168,213</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 (2022: £9.165m) to acquire and remediate land for development. At the year end the amounts owed to the company by the joint venture was £5,072,974 (2022: £1,443,824), this balance is deemed to be repayable on demand. A provision of £1.422,974 has been recognised against the loan balance.

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 £1.765m to acquire and develop residential land. At the year end the amounts owed to the company by the joint venture was £Nil (2022: £724,389).

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	4,338,354	1,590,410
Corporation tax	-	132,154
Other creditors	1	1
Accruals and deferred income	4,600	4,125
	<u>4,342,955</u>	<u>1,726,690</u>

8. Deferred taxation

	2023 £
Charged to profit or loss	239,909
At end of year	<u>239,909</u>

NETWORK SPACE CAPITAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

8. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2023 £	2022 £
Tax losses carried forward	<u>239,909</u>	<u>-</u>

The company has an un-provided deferred tax asset of £21,650 (2022: £21,650) relating to unrelieved tax losses from pre- 1 April 2017. The directors have not recognised this asset on the basis that they believe it will take some time to recover, due to the restrictions on the use of pre-1 April 2017 losses.

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 wholly owned members of the group.

There have been no transactions or balances outstanding at year end with any non-wholly owned subsidiaries of Datum Edge or any other related parties which are not considered to be at market rate, as such no disclosure of these transactions is required.

10. 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. The company is registered in England and Wales, and its registered number is 08028388. Its registered office is Centrix House, Crow Lane East, Newton Le Willows, Merseyside, WA12 9UY. 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. Its registered number is 05388021 and its registered office is Centrix House, Crow Lane East, Newton Le Willows, Merseyside, WA12 9UY. 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 2023**

	2023	2022
	£	£
Administration expenses	(941,058)	(3,190)
Operating loss	(941,058)	(3,190)
Interest receivable	474,062	279,610
Interest payable	(297,669)	(57,347)
Profit/(loss) from participating interests	(1,130,409)	729,330
Tax on (loss)/profit on ordinary activities	239,909	(180,198)
(Loss)/Profit for the year	(1,655,165)	768,205

NETWORK SPACE CAPITAL LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 £	2022 £
Administration expenses		
Legal and professional	5,425	3,035
Bank charges	200	155
Bad debts	935,433	-
	<u>941,058</u>	<u>3,190</u>
	2023 £	2022 £
Interest receivable		
Joint ventures interest receivable	474,062	279,610
	<u>474,062</u>	<u>279,610</u>
	2023 £	2022 £
Interest payable		
Interest payable on loan to group undertakings	297,669	56,816
Other interest payable	-	531
	<u>297,669</u>	<u>57,347</u>
	2023 £	2022 £
Profit/(loss) from participating interests		
Profit/(loss) from other participating interests	(1,130,409)	729,330
	<u>(1,130,409)</u>	<u>729,330</u>

NETWORK SPACE CAPITAL LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2023

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 Merseyside WA12 9UY
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS
Bankers	Bank of Scotland Edinburgh Royal Mile Brand PO Box 100 Edinburgh BX2 1LB

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