

Registered number: 08028388

NETWORK SPACE HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023



NETWORK SPACE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	R Ainscough D Adamson S Barnes M Mellor
Registered number	08028388
Registered office	Centrix House Crow Lane East Newton Le Willows Merseyside WA12 9UY
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4th Floor Royal Liver Building Liverpool L3 1PS

NETWORK SPACE HOLDINGS LIMITED

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NETWORK SPACE HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2023

Objective

Network Space's objective remains to create "Better places for business". This is achieved by specialising in the provision of exceptional commercial property for local, national and international organisations.

Network Space Holdings Limited is the group parent of autonomous business operations undertaking the Investment, Development and Management of industrial property.

Strategy

The board of directors recognise their responsibilities in developing and delivering a robust and effective strategy to deliver the stated objective of the group.

The board continue to pursue a group corporate strategy of creating value in the industrial property sector by selective investment and development.

Business model

The board of Network Space Holdings is responsible for the formulation of group strategy, each subsidiary is responsible for implementing complementary individual strategy. Board meetings are held quarterly at which business strategy is reviewed and for which a full suite of financial and operational board reports are produced.

The board also meet on a weekly basis to discuss operational and administrative matters to ensure prompt organisational response as required.

Matters of strategic importance

Increased material and labour costs, extended timescales and rising interest rates combine to present materials risk to the viability of commercial development. The company has successfully mitigated these risks through value-engineering design, fixing development finance costs and actively engaging with local authorities to minimise delays. The negative impact that increased interest rates have on property values has been partially offset by increases in rental values during the same period.

Higher interest rates have in-turn reduced the headroom above interest cover covenants, resulting in the careful monitoring of rental income to ensure compliance.

NETWORK SPACE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Analysis of performance and position**Financial**

At the year-end balance sheet date of 30th June 2023, the consolidated profit and loss account reports a profit before tax of £16.2M (2022: £21.9M). The table below shows how this has been achieved:

	£M
Retained portfolio income returns	4.9
Profits on the sale of investment property	1.7
Increases in the value of retained investment property	9.6
Profits on development activity	7.0
Management Fees and Other income	1.2
	<hr/> 24.4
Overheads and interest	(8.2)
Profit Before Tax	<hr/> 16.2 <hr/>

The consolidated balance sheet shows investment property held by the group with a total value of £166.4M and development land stock of £10.2M. £41.9M was drawn on the investment loan facility and development loans stood at £11.4M, equating to a group wide ratio of 25% for loans as a percentage of total land and property assets. This is in keeping with the group's prudent approach to financing.

Group cash balances totalled £3.3M, a net decrease of £7.1M during the year.

Commercial

New developments completed and/or sold in the year include Glass Futures, St Helens 166,000 sq ft; Tunstall Arrow North, Stoke-on-Trent 110,000 sq ft; Woodhouse Link, Sheffield 117,000 sq ft and Gateway 49 Ph4, Warrington 5,000 sq ft.

Construction started at Broadheath Networkcentre, Altrincham 205,500 sq ft during the year.

Planning consents were secured for Brookfield Business Park, Liverpool 72,050 sq ft and Estuary Commerce Park, Liverpool 131,500 sq ft. These join Ashroyd Business Park Ph 2, Barnsley 94,500 sq ft in our consented land bank. A planning application for Element Ph 2, Knowsley 202,000 sq ft was submitted in the year, bring total new industrial space with the consent achieved or pending to over 500,000 sq ft.

Development Management agreements were entered in to with St Helens BC and Stockport MBC for projects in their respective boroughs.

New investment acquisitions totalling over £34M were completed during the year, including First Avenue, Trafford Park 45,271 sq ft. The retained portfolio value increased by 25% year-on-year and active asset management initiatives contributed to continued rental growth across the portfolio, resulting in a year-on-year increase.

Trends and factors

Investment yields softened in response to rising interest rates, whilst occupational demand appeared to remain robust as evidenced by rising rental values.

NETWORK SPACE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Key performance indicators

The board focusses on performance that will result in growth of net asset value of both the group and the individual subsidiary business operations. To support this, several KPIs are used across the business units.

Capital transactions, whether investment or development in nature, are appraised and monitored through IRR analysis and cash-flows, with allowances made for the associated risk. Income returns are monitored every month against financial budgets, as are commercial KPIs such as void rates, net portfolio yields, weighted unexpired lease terms (WAULT) and average net effective rent (ANER).

Principal risks and uncertainties

Materials supplies

The availability of building materials has improved, although costs have remained high. The impact was mitigated by working closely with contractors and their supply chain, as well as identifying efficiencies in design.

Planning delays

Delays in the planning system continue to significantly restrict all development. The risk is mitigated by undertaking schemes that are not contentious and deliver obvious benefits to the community.

Credit risk

Credit risk is managed by a detailed credit assessment of every tenancy application, overseen by the Group Finance Director. The credit rating and key appointments of the top tenancies by value are actively monitored and form part of the management accounts reporting. Trade debts are closely monitored and regular meetings are held to agree recovery strategies.

For development projects, both contractors and clients of development management contracts or pre-let/pre-sale agreements are also subject to detailed credit assessments. Appropriate cashflow protections are sought if considered necessary.

Revenue

Revenue is principally made up of rental income, management fees and development asset sales. Directors actively monitor and report movement in rental values with quoting terms adjusted accordingly. Due to the long gestation period of development projects, it is not unusual for these revenues to fluctuate year-on-year. Fee income is contractual, the board ensures that performance expectations are maintained or exceeded.

Political, Economic, Sociological, Technological, Legal and Environmental risk

As part of regularly revisiting the strategic process, the directors monitor external risks by use of a PESTLE analysis. By the nature of the industry, external risk has a bearing on market sentiment, from both an investor and occupier perspective. The board ensures that current and future possible risks are considered when committing to significant capital transactions, whether for development or investment purposes.

Interest rates

The Bank of England's official Bank Rate rose from 1.25% to 5.0% during the financial year. The group maintains a prudent approach to debt financing and regularly models the sensitivity of business operations to forecast increased borrowing costs and inform the viability of proposed capital commitments. Interest rate hedging is actively considered and executed when appropriate, fixed rates of interest are obtained on development projects when possible. All loan covenants were adhered to during the year.

NETWORK SPACE HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Principal risks and uncertainties (continued)

Valuation

The investment portfolio is formally valued every year, as instructed by either Directors or HSBC UK Bank plc. The valuation policy is to adopt all formal valuations as they are conducted (whether instructed by the bank or not).

In order to acknowledge the negative impact that rising interest rates and softening investment yields may have had, a formal valuation of the development and and property portfolio was undertaken for this financial year-end.

All values are audited.

Liquidity

For each operating company in the group, and for the group itself, a detailed and prudent modelling of cashflows is regularly undertaken. A short-term 13-week cashflow forecast ensures that there are sufficient cash and debt reserves available to cover immediate liabilities, operational costs, overheads and interest. A detailed group-wide 3-year cash flow forecast to monitor medium to long term liquidity is produced on a quarterly basis, with relevant and prudent sensitivities being analysed.

The group does not maintain a formal policy for dividends; earnings have historically been retained for reinvestment for future growth and this is intended to remain the case. Dividends are only considered when the company board are satisfied that there are sufficient capital and reserves on the balance sheet to make distributions.

Environmental, employee, social, community and human rights matters

All retained investment property, new developments and refurbishments undertaken target a BREEAM rating of "Very Good" or "Excellent" and EPC ratings of B and higher.

As at the 30th June 2023 Network Space Holdings employed 19 male and 19 female members of staff. The board of directors was made up of 4 males. Network Space Holdings observes the National Living Wage and ensures that employee pay matches or exceeds it.

During the financial year the group made charitable contributions totalling £81k, through both direct donations, sponsorship and the supporting of fundraising event.

Future developments

New developments completed and/or sold in the year within the Network Space Development group include Glass Futures, St Helens 166,000 sq ft; Tunstall Arrow North, Stoke-on-Trent 110,000 sq ft, and Woodhouse Link, Sheffield 117,000 sq ft. Construction started at Broadheath Networkcentre, Altrincham 205,500 sq ft. Planning consents were secured for Brookfield Business Park, Liverpool 72,050 sq ft and Estuary Commerce Park, Liverpool 131,500 sq ft. Development Management agreements were entered in to with St Helens BC and Stockport MBC for projects in their respective boroughs. A lease for 5.8 acres of land at Alchemy Britonwood was also exchanged during the year and completed post year-end.

Within Network Space Investments Limited, new investment acquisitions totalling over £17.5M were completed during the year, including First Avenue, Trafford Park 45,271 sq ft; Ripley Street, Bradford 13,919 sq ft; Shortwood Business Park, Barnsley 40,990 sq ft; Peel Road, Skelmersdale 23,012 sq ft and Willowbridge Way, Castlefield 16,130 sq ft. As at the year-end date, contracts had been exchanged to sell Isabella Road, Garforth 28,097 sq ft. The sale completed post year-end. Including these acquisitions, the retained portfolio value increased by 25% year-on-year and active asset management initiatives contributed to continued rental growth across the portfolio, resulting in a year-on-year increase.

NETWORK SPACE HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

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

Richard Ainscough

R Ainscough

Director

Date: 13/12/2023

NETWORK SPACE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023

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

Financial performance

The profit for the year, after taxation, amounted to £12.7m (2022: £17.3m).

Dividends

The directors have paid a dividend of £15.7m during the year (2022: £9.7m).

Directors

The directors who served during the year were:

R Ainscough
D Adamson
S Barnes
N Jones (resigned 30 September 2023)
M Mellor

Directors' Responsibilities Statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 Group 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors and the directors of associated companies. These provisions were in place throughout the year and remain in force at the date of this report.

NETWORK SPACE HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Post balance sheet events

The wholly owned subsidiary NSM Property & Asset Management Ltd was wound down on the 30th September 2023, with this area of the business ceasing to operate.

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 and the Group'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 and the Group'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.

This report was approved by the board on 13/12/2023

and signed on its behalf.



D Adamson
Director



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

Opinion

We have audited the financial statements of Network Space Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 June 2023, which comprise Consolidated Profit and Loss accounts, the Consolidated and company Balance Sheets, the Consolidated and company 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 Group's and of the parent company's affairs as at 30 June 2023 and of the Group's 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 Group and the parent 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis and inflation, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.



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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

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 themselves. 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK SPACE HOLDINGS 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 Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.



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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant directly relevant to specific assertions in the financial statements are those related to the reporting framework FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Companies Act 2006 and the relevant tax compliance regulations.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Challenge assumptions and judgements, made by management in its significant accounting estimates;
 - Consideration for the potential for fraud in revenue recognition;
 - Identifying and testing journal entries; and
 - Identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
- The engagement teams' discussions in respect of potential non-compliance with laws and regulations and fraud included the risk of fraud in revenue recognition.



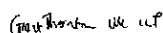
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETWORK SPACE HOLDINGS LIMITED
(CONTINUED)**

- In assessing the potential risks of material misstatement, we obtained an understanding of
 - the Group's operations, including the nature of its revenue sources and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
 - the Group's control environment, including management's knowledge of relevant laws and regulations and how the Group is complying with those laws and regulations, the adequacy of procedures for authorisation of transactions, and procedures to ensure that possible breaches of law and regulations are appropriately resolved.
 - We enquired of management whether they were aware of any instances or noncompliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.

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.

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.



Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
Date: 14/12/2023

NETWORK SPACE HOLDINGS LIMITED

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

	Note	2023 £000	2022 £000
Turnover	4	38,878	29,429
Gross profit		38,878	29,429
Expenses		(30,847)	(22,850)
Other operating income		79	23
Profit/(loss) on disposal of fixed assets		1,748	(6)
Revaluation of investment property	16	9,555	14,011
Government grants receivable		-	997
Operating profit	5	19,413	21,604
Group share of operating (loss)/profit from Joint Ventures		(1,130)	729
Interest receivable and similar income	9	496	281
Interest payable and similar expenses	10	(2,594)	(684)
Profit before taxation		16,185	21,930
Tax on profit	11	(3,530)	(4,621)
Profit for the financial year		12,655	17,309
Profit for the year attributable to:			
Non-controlling interests		388	210
Owners of the parent company		12,267	17,099
		12,655	17,309

There were no recognised gains and losses for 2023 or 2022 other than those included in the Consolidated Profit and Loss account.

There was no other comprehensive income for 2023 (2022: £Nil).

The notes on pages 20 to 47 form part of these financial statements.

NETWORK SPACE HOLDINGS LIMITED
REGISTERED NUMBER:08028388

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	13	35	64
Tangible assets	14	752	159
Investments	15	852	1,443
Investment Property	16	166,368	122,725
		<u>168,007</u>	<u>124,391</u>
Current assets			
Stocks	17	10,216	26,528
Debtors: amounts falling due after more than one year	18	18	46
Debtors: amounts falling due within one year	18	7,025	12,907
Cash at bank and in hand	19	3,301	10,363
		<u>20,560</u>	<u>49,844</u>
Creditors: amounts falling due within one year	20	(27,078)	(54,324)
Net current liabilities		<u>(6,518)</u>	<u>(4,480)</u>
Total assets less current liabilities		<u>161,489</u>	<u>119,911</u>
Creditors: amounts falling due after more than one year	21	(53,233)	(8,700)
Provisions for liabilities			
Deferred taxation	23	(7,042)	(7,073)
		<u>(7,042)</u>	<u>(7,073)</u>
Net assets		<u><u>101,214</u></u>	<u><u>104,138</u></u>

NETWORK SPACE HOLDINGS LIMITED
REGISTERED NUMBER:08028388

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2023

	Note	2023 £000	2022 £000
Capital and reserves			
Called up share capital	24	47	47
Share premium account	25	180	180
Capital redemption reserve	25	5	5
Other reserves	25	37,949	30,343
Profit and loss account	25	60,698	71,422
Equity attributable to owners of the parent company		98,879	101,997
Non-controlling interests		2,335	2,141
		101,214	104,138

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
13/12/2023

D Adamson

D Adamson
Director


The notes on pages 20 to 47 form part of these financial statements.

NETWORK SPACE HOLDINGS LIMITED
REGISTERED NUMBER:08028388

COMPANY BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	13	35	60
Tangible assets	14	725	129
Investments	15	29,377	29,326
		<u>30,137</u>	<u>29,515</u>
Current assets			
Debtors: amounts falling due within one year	18	8,168	20,429
Cash at bank and in hand	19	255	6,282
		<u>8,423</u>	<u>26,711</u>
Creditors: amounts falling due within one year	20	(5,676)	(11,875)
Net current assets		<u>2,747</u>	<u>14,836</u>
Total assets less current liabilities		<u>32,884</u>	<u>44,351</u>
Net assets		<u>32,884</u>	<u>44,351</u>
Capital and reserves			
Called up share capital	24	47	47
Capital redemption reserve	25	5	5
Profit and loss account	25	32,832	44,299
		<u>32,884</u>	<u>44,351</u>

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


D Adamson
 Director
 Date: 13/12/2023

The notes on pages 20 to 47 form part of these financial statements.

NETWORK SPACE HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 July 2022	47	180	5	30,343	71,422	101,997	2,141	104,138
Comprehensive income for the year								
Profit for the year	-	-	-	-	12,267	12,267	388	12,655
Total comprehensive income for the year								
Dividends	-	-	-	-	12,267	12,267	388	12,655
Share based payments	-	-	-	-	(15,500)	(15,500)	(200)	(15,700)
Property revaluations	-	-	-	-	145	145	-	145
Other transfers to profit and loss	-	-	-	7,606	(7,606)	-	-	-
	-	-	-	-	(30)	(30)	6	(24)
Total transactions with owners								
	-	-	-	7,606	(22,991)	(15,385)	(194)	(15,579)
At 30 June 2023	47	180	5	37,949	60,698	98,879	2,335	101,214

The notes on pages 20 to 47 form part of these financial statements.

NETWORK SPACE HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 July 2021	47	180	5	26,299	67,931	94,462	1,924	96,386
Comprehensive income for the year								
Profit for the year	-	-	-	-	17,099	17,099	210	17,309
Total comprehensive income for the year								
Dividends	-	-	-	-	17,099	17,099	210	17,309
Transfer to profit and loss account	-	-	-	-	(9,700)	(9,700)	-	(9,700)
Property revaluations	-	-	-	-	143	143	-	143
Non-controlling interest	-	-	-	3,704	(3,704)	-	-	-
Dividends paid to non-controlling interests	-	-	-	340	(347)	(7)	-	(7)
	-	-	-	-	-	-	7	7
Total transactions with owners								
	-	-	-	4,044	(13,608)	(9,564)	7	(9,557)
At 30 June 2022	47	180	5	30,343	71,422	101,997	2,141	104,138

The notes on pages 20 to 47 form part of these financial statements.

NETWORK SPACE HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2022	47	5	44,299	44,351
Comprehensive income for the year				
Profit for the year	-	-	4,233	4,233
Total comprehensive income for the year	-	-	4,233	4,233
Contributions by and distributions to owners				
Dividends	-	-	(15,700)	(15,700)
Total transactions with owners	-	-	(15,700)	(15,700)
At 30 June 2023	47	5	32,832	32,884

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2021	47	5	53,646	53,698
Comprehensive income for the year				
Profit for the year	-	-	353	353
Total comprehensive income for the year	-	-	353	353
Contributions by and distributions to owners				
Dividends	-	-	(9,700)	(9,700)
Total transactions with owners	-	-	(9,700)	(9,700)
At 30 June 2022	47	5	44,299	44,351

The notes on pages 20 to 47 form part of these financial statements.

NETWORK SPACE HOLDINGS LIMITED

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

1. General information

Network Space Holdings 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 functional and presentational currency is pound sterling (£). All amounts in the financial statements have been rounded to the nearest £1,000.

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss account in these financial statements.

The parent and group have taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

- the requirements of Section 7 to present a statement of cash flows
- the requirements of Section 33 to present related party disclosures;
- financial instrument disclosures including:
 - categories of financial instruments
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to management of financial risks

The information is included in the consolidated financial statements of Datum Edge Limited as at 30 June 2023 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The following principal accounting policies have been applied:

NETWORK SPACE HOLDINGS LIMITED

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

2. Accounting policies (continued)**2.2 Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 30 June 2014.

2.3 Going concern

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

The group operates under a banking facility totalling £45m which runs until 11 December 2025.

Management produce quarterly business plans for each operating company, and at a wider group level, to take account of current and forecast trading conditions. In light of the ongoing economic uncertainty caused by Brexit, the Covid-19 pandemic and the war in Ukraine, the Board continue to closely scrutinise the plans and test the robustness of assumptions made, including stress-testing scenarios for significant reductions in rental income, management fees and development turnover. At the time of signing the financial statements, no such reductions have materialised.

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 group had seen negligible impact on the operations of any of its businesses, with cash generation remaining strong, and the industrial property sector remaining buoyant. 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 Revenue

Rental income is recognised on a straight-line basis over the course of the period of the lease. Any differences between the cash receipts and straight line recognition are deferred/accrued as appropriate.

Other income is recognised at the point which the economic benefits flow to the company and the revenue can be reliably measured.

NETWORK SPACE HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Profit and Loss account in the same period as the related expenditure.

2.7 Interest income

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

2.8 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.

2.9 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

NETWORK SPACE HOLDINGS LIMITED

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

2. Accounting policies (continued)**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NETWORK SPACE HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery, fixtures and fittings etc. - 4 - 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Profit and Loss account.

Fair values are determined from market based evidence. Professionally qualified external valuers are engaged to value a portion of the property portfolio each year. All properties receive a valuation externally at least once every 3 years.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated 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.

Investments in unlisted group 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 Consolidated Profit and Loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

NETWORK SPACE HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.16 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Profit and Loss account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.17 Stocks

Stocks comprise land held for developments and developments under construction and are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 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.

2.19 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.

2.20 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 HOLDINGS LIMITED

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

2. Accounting policies (continued)**2.21 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 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.

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 Consolidated Profit and Loss account.

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.

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 Group 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.

2.23 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NETWORK SPACE HOLDINGS LIMITED

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Development expenditure

Development expenditure is capitalised in accordance with the accounting policy set out for stock in note 2. Initial capitalisation is based on management's judgement that technical and economic feasibility is confirmed through the use of established project management models. In determining the ongoing amounts to be capitalised, management make assumptions regarding the expected future cash generation of the asset and the expected period of benefits.

Revaluation of investment properties

The group carries its investment property at fair value, with changes in fair value being recorded in the profit and loss account. The properties have been valued by the directors as at 30 June 2023. Valuations are sensitive to estimated yields and occupancy rates, as well as current market conditions (see note 16).

Recoverability and impairment of non-financial assets

Where there are indicators of impairment of individual assets, the group performs impairment tests based on fair value less costs to sell or a value in use calculation. Recoverable amounts are sensitive to the discount rates used in a discounted cash flow model, and to the estimates of future cash flows and growth rates used to extrapolate values. Any impairment losses recognised will only be reversed in a subsequent period if the reasons for the impairment loss have ceased to apply.

Taxation

The group establishes tax provisions based on reasonable estimates. The amount of such provisions is based on various factors, such as experience with previous tax audits and interpretations of tax regulations. Management estimation is required to determine the amount of deferred tax assets or liabilities to be recognised, based upon the likely future timing and level of taxable profits, together with an assessment of the effect of future tax planning strategies.

NETWORK SPACE HOLDINGS LIMITED

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

4. Turnover

Turnover represents the rental income receivable in the year, amounts derived from the provision of site services to customers during the year and proceeds from the sale of trading developments (excluding value added tax). Rental incentives are spread over the life of the related lease. Sales of investment properties are recorded in Profit on sale of investment.

	2023	<i>2022</i>
	£000	<i>£000</i>
Sale of trading developments	18,108	<i>7,391</i>
Investment property rentals	7,098	<i>7,521</i>
Development management fee	12,796	<i>13,428</i>
Management of real estate fee	876	<i>1,089</i>
	38,878	<i>29,429</i>

All turnover is derived from UK operations and is recognised when the services are delivered.

5. Operating profit

The operating profit is stated after charging/(crediting):

	2023	<i>2022</i>
	£000	<i>£000</i>
Amortisation of intangible assets, including goodwill	48	<i>62</i>
Depreciation of tangible assets	115	<i>58</i>
(Profit)/loss on sale of fixed assets	(1,748)	<i>6</i>
Operating lease charges	295	<i>283</i>

NETWORK SPACE HOLDINGS LIMITED

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

6. Auditor's remuneration

	2023	<i>2022</i>
	£000	<i>£000</i>
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	18	<i>15</i>

Fees payable to the Group's auditor and its associates in respect of:

Audit of financial statements of subsidiaries of the company	56	<i>63</i>
Taxation compliance services	32	<i>28</i>
Other services relating to taxation	19	<i>8</i>
Accounts preparation services	31	<i>27</i>
	138	<i>126</i>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group	<i>Group</i>
	2023	<i>2022</i>
	£000	<i>£000</i>
Wages and salaries	2,966	<i>3,609</i>
Social security costs	476	<i>388</i>
Cost of defined contribution scheme	182	<i>91</i>
	3,624	<i>4,088</i>

The average monthly number of employees, including the directors, during the year was as follows:

	2023	<i>2022</i>
	No.	<i>No.</i>
Administration	36	<i>32</i>
Management	7	<i>7</i>
	43	<i>39</i>

All employees were employed and remunerated by the company.

NETWORK SPACE HOLDINGS LIMITED

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

8. Directors' remuneration

	2023	<i>2022</i>
	£000	<i>£000</i>
Directors' emoluments	1,306	<i>1,683</i>
Group contributions to defined contribution pension schemes	36	<i>34</i>
	1,342	<i>1,717</i>

The aggregate of emoluments of the highest paid director was £465,372 (2022: £654,725) and company pension contributions of £11,865 (2022: £10,875) were made to a money purchase scheme on their behalf.

During the year retirement benefits accrued to four (2022: *four*) directors under a money purchase pension scheme.

For details on directors share based payments please see note 26.

9. Interest receivable

	2023	<i>2022</i>
	£000	<i>£000</i>
Bank and other interest receivable	14	<i>-</i>
Interest receivable on group loans	8	<i>-</i>
Interest receivable on loans to Joint Ventures	474	<i>281</i>
	496	<i>281</i>

10. Interest payable and similar expenses

	2023	<i>2022</i>
	£000	<i>£000</i>
Bank interest payable	1,889	<i>574</i>
Loans from group undertakings	326	<i>106</i>
Other loan interest payable	379	<i>4</i>
	2,594	<i>684</i>

NETWORK SPACE HOLDINGS LIMITED

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

11. Taxation

	2023	<i>2022</i>
	£000	<i>£000</i>
Corporation tax		
Current tax on profits for the year	3,550	<i>2,856</i>
Adjustments in respect of previous periods	11	<i>(5)</i>
Total current tax	3,561	<i>2,851</i>
Deferred tax		
Origination and reversal of timing differences	(23)	<i>1,473</i>
Effect of tax rate change on opening balance	(8)	<i>297</i>
Total deferred tax	(31)	<i>1,770</i>
Taxation on profit on ordinary activities	3,530	<i>4,621</i>

NETWORK SPACE HOLDINGS LIMITED

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

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022: *higher than*) the standard rate of corporation tax in the UK of 20.5% (2022: 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	16,185	21,930
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2022: 19%)	3,318	4,166
Effects of:		
Non-deductible expenses	2,748	49
Fixed asset timing differences	(34)	(255)
Capital allowances for year in excess of depreciation	-	(2,666)
Deferred tax - adjustment in respect of prior years	111	-
Chargeable gains/(losses)	256	2,619
Deferred tax not recognised	(200)	-
Adjustments to tax charge in respect of prior periods	(69)	29
Remeasurement of deferred tax for change in tax rates	24	679
Non-taxable income	(2,533)	-
Land remediation	(77)	-
Other differences	(14)	-
Total tax charge for the year	3,530	4,621

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% has been substantively enacted at the balance sheet date, its effects are included in the deferred tax provision.

12. Dividends

	2023 £000	2022 £000
Dividends paid £334.04 per ordinary share (2022: £206.38 per ordinary share)	15,700	9,700

NETWORK SPACE HOLDINGS LIMITED

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

13. Intangible assets

Group

	Software £000
Cost	
At 1 July 2022	251
Additions	19
At 30 June 2023	<u>270</u>
Amortisation	
At 1 July 2022	187
Charge for the year	48
At 30 June 2023	<u>235</u>
Net book value	
At 30 June 2023	<u><u>35</u></u>
At 30 June 2022	<u><u>64</u></u>

Amortisation on intangible assets is charged to admin expenses.

Additions during the year are in respect of costs associated with software.

NETWORK SPACE HOLDINGS LIMITED

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

13. Intangible assets (continued)

Company

	Software £000
Cost	
At 1 July 2022	85
Additions	19
At 30 June 2023	<u>104</u>
Amortisation	
At 1 July 2022	25
Charge for the year	44
At 30 June 2023	<u>69</u>
Net book value	
At 30 June 2023	<u><u>35</u></u>
At 30 June 2022	<u><u>60</u></u>

Amortisation on intangible assets is charged to admin expenses.

Additions during the year are in respect of costs associated with software.

NETWORK SPACE HOLDINGS LIMITED

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

14. Tangible fixed assets

Group

	Plant and machinery £000
Cost or valuation	
At 1 July 2022	346
Additions	708
At 30 June 2023	<u>1,054</u>
Depreciation	
At 1 July 2022	187
Charge for the year	115
At 30 June 2023	<u>302</u>
Net book value	
At 30 June 2023	<u><u>752</u></u>
At 30 June 2022	<u><u>159</u></u>

NETWORK SPACE HOLDINGS LIMITED

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

14. Tangible fixed assets (continued)

Company

	Plant, machinery & fixtures & fittings £000
Cost or valuation	
At 1 July 2022	275
Additions	699
At 30 June 2023	<u>974</u>
Depreciation	
At 1 July 2022	146
Charge for the year	103
At 30 June 2023	<u>249</u>
Net book value	
At 30 June 2023	<u><u>725</u></u>
At 30 June 2022	<u><u>129</u></u>

NETWORK SPACE HOLDINGS LIMITED

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

15. Fixed asset investments

Group

	Investments £000
Cost or valuation	
At 1 July 2022	1,443
Share of loss	(642)
Revaluations	51
At 30 June 2023	<u>852</u>
 Net book value	
At 30 June 2023	<u>852</u>
At 30 June 2022	<u>1,443</u>

An impairment of £729,331 was made to the investment in Interchange LLP to write down the investment to nil, to reflect NSC Ltd's 50% share of the company losses made to date. This is offset by the share of profits made in Stalk Farm Developments LLP, in which NSC Ltd also own a 50% share.

NETWORK SPACE HOLDINGS LIMITED

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

15. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 July 2022	29,326
Revaluations	51
At 30 June 2023	<u>29,377</u>
Net book value	
At 30 June 2023	<u><u>29,377</u></u>
At 30 June 2022	<u><u>29,326</u></u>

NETWORK SPACE HOLDINGS LIMITED

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

15. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Network Space Investments Limited	Property Investment	Ordinary	100%
Network Space (Networkcentres) Limited	Property Investment	Ordinary	100%
Network Space Land Limited	Property Investment and Development	Ordinary	100%
NS Festival Gardens Limited	Property Development	Ordinary	100%
NSM Property & Asset Management Limited	Property Management	Ordinary	95%
Network Space Projects Limited	Property Management and Development	Ordinary	100%
Network Space Capital Limited	Property Development	Ordinary	100%
St Helens Stadium Limited	Property Management	Ordinary	100%
Network Space Developments Limited	Property Development	Ordinary	95%
NSD Huyton Limited	Property Development	Ordinary	100%
NSD Altrincham Limited	Property Development	Ordinary	100%
NS (PDMS) Limited	Dormant	Ordinary	100%
NSM Property Investments Limited	Dormant	Ordinary	100%
NS Investments North East Limited	Dormant	Ordinary	100%
Network Space NE Limited	Dormant	Ordinary	100%
NS Managed Services Limited	Dormant	Ordinary	100%
NS Shelfco 1 Limited	Dormant	Ordinary	50%
NS Shelfco 2 Limited	Dormant	Ordinary	100%
NS Shelfco 3 Limited	Dormant	Ordinary	100%
NS North East Nominees Limited	Dormant	Ordinary	100%
NS JV Limited	Property Development	Ordinary	100%

The registered office address of all of the above subsidiary undertakings is Centrix House, Crow Lane East, Newton Le Willows, St Helens Merseyside, WA12 9UY.

NSM Property Investments Limited is a direct subsidiary of NSM Property & Asset Management Limited. Network Space NE Limited and NS North East Nominees Limited are direct subsidiaries of NS Investments North East Limited.

Network Space (Networkcentres) Limited, NS Festival Gardens Limited, Network Space Capital Limited, NS JV Limited, NSM Property & Asset Management Limited, and Network Space Projects Limited are entitled to and have taken advantage from audit available under Section 479A of the Companies Act 2006 related to subsidiary companies.

NETWORK SPACE HOLDINGS LIMITED

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

16. Investment property

Group

	Development property £000	Investment property £000	Total £000
Valuation			
At 1 July 2022	42,781	79,944	122,725
Additions at cost	16,545	17,491	34,036
Disposals	(10,358)	-	(10,358)
(Deficit)/surplus on revaluation	(1,524)	11,079	9,555
Reclassification (to)/from stock	-	10,410	10,410
Reclassification to Investment Property	(1,075)	1,075	-
At 30 June 2023	46,369	119,999	166,368

The historical cost of re-valued investment properties as at 30 June 2023 was £107,987,686 (2022: £75,726,000).

Investment properties have been valued by an independent external valuer. The valuation was undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation Standards (6th Edition) in June 2023 for all properties.

The valuations, which are supported by market evidence, are prepared by considering the aggregate of the net annual rents receivable from the properties and where relevant, associated costs. A yield which reflects the specific risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

Development property represents properties in the course of development at the year end.

17. Stocks

	Group 2023 £000	<i>Group 2022 £000</i>
Raw materials and consumables	10,216	<i>26,528</i>

Impairment losses totalling £Nil (2022: £Nil) were recognised in profit and loss.

NETWORK SPACE HOLDINGS LIMITED

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

18. Debtors

	Group 2023 £000	<i>Group 2022 £000</i>	Company 2023 £000	<i>Company 2022 £000</i>
Due after more than one year				
Trade debtors	18	46	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	Group 2023 £000	<i>Group 2022 £000</i>	Company 2023 £000	<i>Company 2022 £000</i>
Due within one year				
Trade debtors	911	1,712	30	1
Amounts owed by group undertakings	-	-	8,029	20,293
Amounts owed by joint ventures and associated undertakings	3,650	2,168	-	-
Other debtors	758	2,316	17	22
Prepayments and accrued income	1,706	6,711	92	113
	<hr/>	<hr/>	<hr/>	<hr/>
	7,025	12,907	8,168	20,429
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts owed to the company by group undertakings are interest bearing and repayable on demand.

Network Space Capital holds a 50% stake in Interchange 26 LLP. At the year end the amounts owed to the company by the joint venture was £3,650k.

19. Cash and cash equivalents

	Group 2023 £000	<i>Group 2022 £000</i>	Company 2023 £000	<i>Company 2022 £000</i>
Cash at bank and in hand	3,301	10,363	255	6,282
	<hr/>	<hr/>	<hr/>	<hr/>

NETWORK SPACE HOLDINGS LIMITED

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

20. Creditors: Amounts falling due within one year

	Group 2023 £000	<i>Group 2022 £000</i>	Company 2023 £000	<i>Company 2022 £000</i>
Bank loans	-	29,000	-	-
Trade creditors	350	890	34	41
Amounts owed to group undertakings	14,902	9,983	5,132	11,331
Corporation tax	2,542	864	34	24
Other taxation and social security	84	87	84	233
Deposits	720	623	-	-
Other creditors	971	502	170	20
Accruals and deferred income	6,278	11,390	222	226
Rents in advance	1,231	985	-	-
	27,078	<i>54,324</i>	5,676	<i>11,875</i>

The amounts owed to group undertakings falling due within one year are repayable on demand and interest is charged at a commercial rate.

21. Creditors: Amounts falling due after more than one year

	Group 2023 £000	<i>Group 2022 £000</i>
Bank loans	41,850	-
Other loans	11,383	8,700
	53,233	<i>8,700</i>

Details regarding the bank loans included in the table above can be found in note 22, interest bearing loans and borrowings.

NETWORK SPACE HOLDINGS LIMITED

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

22. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £000	<i>Group 2022 £000</i>
Amounts falling due within one year		
Bank loans	-	29,000
Amounts falling due 2-5 years		
Bank loans	41,850	-
Other loans	11,383	8,700
	<u>53,233</u>	<u>37,700</u>

The group operates under a banking facility totalling £45m which was approved on 14 December 2022 and runs until 11 December 2025 at which point the total loan is due for repayment. Interest rates are charged at variable rates.

The bank loans are secured by fixed and floating charges on certain investment properties of the group.

Other loans represent borrowings from Trafford Borough Council and accrue interest at a fixed rate per annum. The loans are due for repayment in full in May 2025. They are secured by fixed and floating charges over the assets of the group.

23. Deferred taxation

Group

	2023 £000	<i>2022 £000</i>
At beginning of year	(7,073)	(5,303)
Charged to profit or loss	31	(1,770)
At end of year	<u>(7,042)</u>	<u>(7,073)</u>

NETWORK SPACE HOLDINGS LIMITED

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

23. Deferred taxation (continued)

Company

	2023	<i>2022</i>
	£000	<i>£000</i>
At beginning of year	-	(4)
Charged to profit or loss	-	-
Utilised in year	-	4
At end of year	-	<i>-</i>

The provision for deferred taxation is made up as follows:

	Group	<i>Group</i>
	2023	<i>2022</i>
	£000	<i>£000</i>
Losses and other deductions	1,642	3
Fixed asset timing differences	(1,443)	(776)
Capital gains	(7,274)	(6,315)
Short-term timing differences	33	15
	(7,042)	<i>(7,073)</i>

24. Share capital

	2023	<i>2022</i>
	£000	<i>£000</i>
Allotted, called up and fully paid		
47,000 (2022: 47,000) Ordinary shares of £1 each	47	<i>47</i>

Ordinary shares

Each holder of an Ordinary Share is entitled to receive notice of, and to attend and speak at, any general meeting of the company. Any such holder shall, on a show of hands have one vote, and on a poll have one vote, for each Ordinary Share that they hold.

NETWORK SPACE HOLDINGS LIMITED

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

25. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Other reserves

Includes all historic revaluation gains recognised on investment properties net of deferred tax.

Capital redemption reserve

A non-distributable reserve which includes amounts transferred following the purchase of the company's own shares.

Profit and loss account

Includes all current and prior period retained profits and losses.

26. Share-based payments

On 12 December 2019 the group issued 2 shares to management, 1 share at nominal value and 1 share at a rate which is considered to be less than market value. Under the articles the return due to management is based on a ratchet mechanism over 5 years of employment.

Management have determined that the transaction represents an equity settled share based payment and have performed a valuation at the grant date which is to be recognised over a 5 year vesting period in line with the ratchet mechanism. The total charge to the profit and loss for the period was £144k (2022: £143k).

27. Pension commitments

The pension cost charge for the year represents contributions payable by the group to the scheme and amounts to £179,000 (2022: £97,000). There were no outstanding amounts or prepayments at the year end.

NETWORK SPACE HOLDINGS LIMITED

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

28. Commitments under operating leases

At 30 June 2023 the group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	<i>Group 2022 £000</i>
Within one year	295	283
Between two and five years	1,150	1,133
After five years	9,998	10,268
	<u>11,443</u>	<u>11,684</u>

Company

At 30 June 2023 and 30 June 2022 the company had no annual commitments under non-cancellable operating leases.

29. Receipts under operating leases

At 30 June 2023 the group had future minimum lease receipts under non-cancellable operating leases as follows:

	Group 2023 £000	<i>Group 2022 £000</i>
Not later than 1 year	6,201	4,446
Later than 1 year and not later than 5 years	16,533	10,514
Later than 5 years	10,710	6,779
	<u>33,444</u>	<u>21,739</u>

Company

At as 30 June 2023 and 30 June 2022 the company had no annual receipts under non-cancellable operating leases.

30. Related party transactions

Transactions with key management personnel

Total compensation of key management personnel (including the directors) in the year amounted to £1,342k (2022: £1,717k).

NETWORK SPACE HOLDINGS LIMITED

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

31. Controlling party

The immediate and ultimate parent company is Datum Edge Limited, which is controlled by Mr. R Ainscough by virtue of his controlling interest.

The results of the group are consolidated into Datum Edge Limited as the largest entity into which they are consolidated. Those accounts can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.