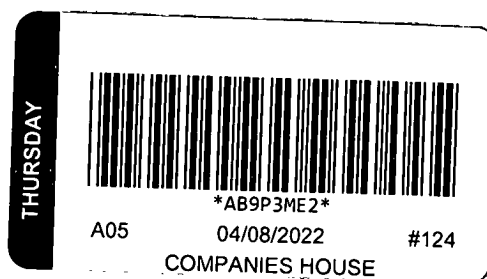


Company Registration No. 12008248 (England and Wales)

NETOMNIA LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR



NETOMNIA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company is to develop, operate and wholesale full fibre broadband infrastructure throughout the United Kingdom.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Chelot
C A J Dick
W Wadsworth

Auditor

RSM UK Audit LLP were appointed as auditor to the company and, in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



W Wadsworth
Director

Date: 27th July 2022

NETOMNIA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NETOMNIA LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

		2021		2020 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		292,499		40,711
Tangible assets	5		40,738,835		6,201,905
			<u>41,031,334</u>		<u>6,242,616</u>
Current assets					
Debtors	6	4,819,454		952,681	
Cash at bank and in hand		993,297		1,459,385	
		<u>5,812,751</u>		<u>2,412,066</u>	
Creditors: amounts falling due within one year	7	(6,958,900)		(3,814,475)	
Net current liabilities			<u>(1,146,149)</u>		<u>(1,402,409)</u>
Total assets less current liabilities			39,885,185		4,840,207
Creditors: amounts falling due after more than one year	8		(45,140,999)		(5,972,360)
Net liabilities			<u>(5,255,814)</u>		<u>(1,132,153)</u>
Capital and reserves					
Called up share capital			1,000		1,000
Profit and loss reserves			(5,256,814)		(1,133,153)
Total equity			<u>(5,255,814)</u>		<u>(1,132,153)</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 27th July 2022 and are signed on its behalf by:



W Wadsworth
Director

NETOMNIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Netomnia Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit H The Courtyard, Tewkesbury Business Park, Tewkesbury, United Kingdom, GL20 8GD.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company and the group of which the company is a member ("the Group") have adequate resources to continue in operational existence for a minimum period of 12 months from date of signature. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The business has considered the Company's ongoing ability to fund its network roll out plan and continued operational expenditure and is satisfied that the Company can meet its obligations with the cash on hand with further loan notes and funding available.

Investment in new network areas continues to grow, requiring significant funding. In April 2022 Digital Bridge was announced as a key financial investor to ensure that the business has sufficient working capital to deliver its growth plans, providing the Group with an additional £295m of equity. It is expected that Digital Bridge will continue to support the Group by providing funds, as necessary, in order to allow the Group to realise its growth plans.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue is recognised either at a point in time or over time when or as the company satisfies its performance obligations by transferring goods or services to customers.

Revenue from fees charged for providing access to the internet is recognised on a straight line basis over the period for which the internet connection is provided.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

NETOMNIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	Straight line over 5 or 10 years
----------	----------------------------------

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Construction in progress	Not depreciated
Network infrastructure	Straight line over 10 and 25 years
Computers and office equipment	Straight line over 3 years
Connection assets	Straight line over 25 years

Assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

NETOMNIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors, balances due from group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

NETOMNIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Prior period adjustment

Changes to the statement of financial position

	As previously reported £	Adjustment £	As restated at 31 Dec 2020 £
Fixed assets			
Tangible assets	5,004,962	1,196,943	6,201,905
Current assets			
Stocks	1,196,943	(1,196,943)	-
Net assets	(1,132,153)	-	(1,132,153)
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Total equity	(1,132,153)	-	(1,132,153)
	<u> </u>	<u> </u>	<u> </u>

Changes to the income statement

	As previously reported £	Adjustment £	As restated £
Period ended 31 December 2020			
Loss for the financial period	(1,105,959)	-	(1,105,959)
	<u> </u>	<u> </u>	<u> </u>

Reconciliation of changes in equity

	1 January 2020 £	31 December 2020 £
Adjustments to prior year		
Total adjustments	-	-
Equity as previously reported	(26,194)	(1,132,153)
	<u> </u>	<u> </u>
Equity as adjusted	(26,194)	(1,132,153)
	<u> </u>	<u> </u>

NETOMNIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Prior period adjustment (Continued)

Reconciliation of changes in loss for the previous financial period

	2020 £
Total adjustments	-
Loss as previously reported	(1,105,959)
Loss as adjusted	<u>(1,105,959)</u>

Notes to reconciliation

Stock reclassification

In the prior period construction in progress of £1,196,943 was classified as stock however the directors believe as these assets are not held for resale but for use in the company's network assets they are more appropriately classified as construction in progress in tangible fixed assets.

As a result of this reclassification, stock was reduced by £1,196,943 and tangible fixed assets were increased by £1,196,943. There was no impact on the profit and loss reserve.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	<u>21</u>	<u>-</u>

4 Intangible fixed assets

	Software £
Cost	
At 1 January 2021	42,285
Additions	271,448
At 31 December 2021	<u>313,733</u>
Amortisation and impairment	
At 1 January 2021	1,574
Amortisation charged for the year	19,660
At 31 December 2021	<u>21,234</u>
Carrying amount	
At 31 December 2021	<u>292,499</u>
At 31 December 2020	<u>40,711</u>

NETOMNIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Tangible fixed assets

	Construction in progress	Network infrastructure	Computers and office equipment	Connection assets	Total
	£	£	£	£	£
	As restated				As restated
Cost					
At 1 January 2021	2,394,901	3,847,446	8,370	-	6,250,717
Additions	7,941,679	25,593,942	55,746	1,473,002	35,064,369
At 31 December 2021	10,336,580	29,441,388	64,116	1,473,002	41,315,086
Depreciation and impairment					
At 1 January 2021	-	48,459	353	-	48,812
Depreciation charged in the year	-	499,823	10,510	17,106	527,439
At 31 December 2021	-	548,282	10,863	17,106	576,251
Carrying amount					
At 31 December 2021	10,336,580	28,893,106	53,253	1,455,896	40,738,835
At 31 December 2020	2,394,901	3,798,987	8,017	-	6,201,905

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	137,331	2,524
Amounts owed by group undertakings	3,047,037	7,699
Other debtors	1,635,086	942,458
	4,819,454	952,681

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	1,491,235	836,753
Amounts owed to group undertakings	-	367,661
Taxation and social security	89,890	3,828
Other creditors	5,377,775	2,606,233
	6,958,900	3,814,475

NETOMNIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Amounts owed to group undertakings	45,140,999	5,972,360

The amounts owed to group undertakings, per the formal loan agreements in place, are due for final repayment on 31 October 2025 and as such have been shown in creditors falling due after more than one year.

9 Financial commitments, guarantees and contingent liabilities

There are fixed and floating charges over the assets and undertaking of the company to secure loans made to a group company, Substantial Midco Limited, totalling £51,690,856 (2020 £8,671,656) and accrued interest and charges on these loans totalling £3,682,686 (2020: £205,503). There are also fixed and floating charges over the assets and undertaking of the company to secure loans made to another group company, Substantial Midco 2 Limited, totalling £40,000,000 (2020 £Nil) and accrued interest and charges on these loans totalling £1,138,882 (2020: £Nil).

The company is included in a group registration for VAT. At 31 December 2021 the company had no potential liability under this group registration (2020: £nil) as all companies in the group registration were owed refunds of VAT by HM Revenue & Customs at the year end.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	51,077	-
Between one and five years	77,311	-
	128,388	-

11 Related party transactions

The company has made purchases from a company in which a director has a financial interest. During the year total purchases amounted to £241,961 (2020: £31,663). At the year end was £20,136 (2020 - £Nil) was due to the company.

NETOMNIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Parent company

Substantial Group Limited is the immediate parent company. The registered office of Substantial Group Limited is Unit H The Courtyard, Tewkesbury Business Park, Tewkesbury, United Kingdom, GL20 8GD.

Substantial Topco Limited is the ultimate parent company. The registered office of Substantial Topco Limited is Unit H The Courtyard, Tewkesbury Business Park, Tewkesbury, United Kingdom, GL20 8GD. Substantial Topco Limited is the only company that prepares consolidated financial statements which includes Netomnia Limited.

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Christopher Tate.
The auditor was RSM UK Audit LLP.