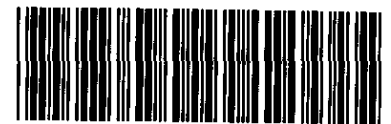


Company number: 03401975

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

**Annual report and unaudited financial statements
For the period ended 30 June 2023**

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Allpoints Fibre Networks Limited (Formerly Giganet Limited)

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Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Company information

Directors	Jarlath Martin Finnegan Paul Robert Hellings Graham Rex McGregor
Company secretary	Octopus Company Secretarial Services Limited
Company number	03401975
Registered office	6th Floor 33 Holborn 33 Holborn London England EC1N 2HT

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Strategic report

For the year ended 30 June 2023

The directors present their Strategic report on Allpoints Fibre Networks Limited (Formerly Giganet Limited) (the "Company") for the year ended 30 June 2023.

Principal activities and business review

The principal activity of the Company continued to be that of telecom and connectivity services.

With effect from 5 September 2023, the Company changed its name from Giganet Limited to Allpoints Fibre Networks Limited.

The loss for the year amounted to £27,502,127 (for the period from 1 January 2021 to 30 June 2022: £9,898,721) and at the year end the Company had net liabilities of £21,050,474 (2022: net assets of £4,592,653). During the year, the increase in loss was primarily due to an increase in the administrative expenses in order to cater the expansion of full fibre connectivity across multiple platforms. This will allow the Company to offer high speed full fibre connectivity to homes and businesses in the United Kingdom and significantly increase its existing offering and continue the construction of its own network.

Financial key performance indicators

The Company focuses on capital preservation. In the case of its operational subsidiaries, performance is measured by revenue and EBITDA and compared against the budget set at the beginning of the financial year. On a quarterly basis, performance is measured against detailed financial forecast models and a returns target set at inception. Results thus far have been in line with expectations.

Principal risk and uncertainties

The Company's financial risk management seeks to minimise the exposure to funding risk, market risk, performance risk, liquidity and cash flow risk.

Funding risk

The Company relies on the continued support of its ultimate controlling party, Fern Trading Limited. Funding is provided on a long term basis, and includes the flexibility to draw down funding to meet ongoing needs of the Company.

Market risk

A shift in policy by Ofcom or United Kingdom government could have an adverse impact on the Company where the change is more favourable to larger incumbent operators than alternative network providers. The Company alongside Fern Trading Limited engages proactively with the United Kingdom government and Ofcom to ensure the strategy and plans of the Company are well understood, and its interests are appropriately represented and protected.

Performance risk

Performance risk is mitigated through the group's operational strategy. The servicing of assets is optimised to maximise availability and limit downtime. This is achieved through performance-backed contractual obligations of key service providers, implementing a spares strategy and enhanced data monitoring to enable faster response time and limit downtime.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Strategic report (continued)

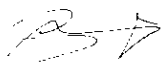
For the year ended 30 June 2023

Liquidity and cash flow risk

Liquidity and cash flow risk are managed by ensuring that sufficient cash is available to fund continuing and future operations.

This report was approved by the Board on 27 March 2024

and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'GRM', with a long horizontal line extending to the right.

Graham Rex McGregor
Director

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Directors' report for the year ended 30 June 2023

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

Results and dividends

The loss for the year amounted to £27,502,127 (for the period from 1 January 2021 to 30 June 2022: £9,898,721) and at the year end the Company had net liabilities of £21,050,474 (2022: net assets of £4,592,653).

No dividend was paid during the year (2022: £nil).

Future developments

During the next financial year, the Company will undergo a restructuring process and all network business activity from within Fern Fibre Group will be transferred to the Company.

Going concern

The directors recognise the financial situation of the Company evidenced by the loss for the financial year of £27,502,127 (for the period from 1 January 2021 to 30 June 2022: £9,898,721) and net deficit in shareholder's funds of £21,050,474 (2022: surplus of £4,592,653).

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due and have determined that based on recent trading of the Company and revised projections, current global events are not expected to have a detrimental impact on the Company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the Company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible negative impact of these events.

Directors of the Company

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

Jarlath Martin Finnegan
Graham Rex McGregor (appointed on 12 July 2023)
Paul Robert Hellings (appointed on 11 September 2023)
Paul Richard Gerard Brazel (resigned on 12 July 2023)
Paul Stephen Latham (resigned on 7 January 2023)
Lukasz Michalak (resigned on 12 July 2023)
Robert James Skinner (resigned on 12 July 2023)

Qualifying third-party indemnity provisions

As permitted by the Articles of Association of the Company, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Directors' report for the year ended 30 June 2023 (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising the FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

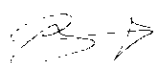
Audit exemption

The directors consider that the Company is entitled to an exemption from the requirement to have an audit under section 479A of the Companies Act 2006. Under the provisions of section 479C of the Companies Act 2006, Fern Trading Limited, the ultimate parent company, has given a statutory guarantee of all the outstanding liabilities to which the Company is subject to as at 30 June 2023.

Events since the Balance sheet date

On 31 January 2024, the Fern Fibre Trading Limited group of companies (the "Fern Fibre Group") carried out an internal reorganisation to provide a separate concentrated focus between the retail businesses and the network businesses of the Fern Fibre Group. As a result, retail business activity has been transferred to Cuckoo Fibre Limited and network business activity transferred to Allpoints Fibre Networks Limited.

This report was approved by the Board on 27 March 2024 and signed on its behalf by:



Graham Rex McGregor
Director

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Statement of comprehensive income for the period ended 30 June 2023

			For the period from 1 January 2021 to 30 June 2022
	Note	2023 £	2022 £
Turnover	3	5,794,207	5,332,214
Cost of sales		(8,470,693)	(3,893,700)
Gross (loss)/profit		(2,676,486)	1,438,514
Administrative expenses		(25,256,326)	(13,275,661)
Loss on investments	10	(900)	-
Operating loss		(27,933,712)	(11,837,147)
Interest receivable and similar income	5	204,382	-
Interest payable and similar expenses	6	(7,479,016)	(304,462)
Loss on ordinary activities before taxation		(35,208,346)	(12,141,609)
Taxation	7	7,706,219	2,242,888
Loss for the financial year/period		(27,502,127)	(9,898,721)

All activities of the Company are from continuing operations.

The Company has no items of other comprehensive income for the current financial year or preceding financial period. Therefore, no separate statement of other comprehensive income has been presented.

The notes on pages 10 to 24 form an integral part of these financial statements.

Balance sheet
as at 30 June 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	8	506,703	208,253
Tangible Assets	9	93,874,440	15,508,765
Investments	10	7,304,854	1,002
Total fixed assets		101,685,997	15,718,020
Current assets			
Inventory	11	4,348,399	2,719,207
Debtors: amounts falling due within one year	12	23,600,524	5,793,736
Cash at bank and in hand		246,256	2,477,063
		28,195,179	10,990,006
Creditors: amounts falling due within one year	13	(18,219,522)	(4,109,725)
Net current assets		9,975,657	6,880,281
Total assets less current liabilities		111,661,654	22,598,301
Creditors: amounts falling due after more than one year	14	(132,698,328)	(18,000,000)
Deferred tax liability	15	-	(5,648)
Provisions	16	(13,800)	-
Net (liabilities)/assets		(21,050,474)	4,592,653
Capital and reserves			
Called-up share capital	17	14,595,898	13,500,950
Share premium account		66,953	66,953
Share based payments reserve		1,628,940	864,888
Profit and loss account		(37,342,265)	(9,840,138)
Total shareholder's (deficit)/funds		(21,050,474)	4,592,653

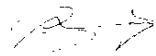
For the year ended 30 June 2023, the Company was entitled to an exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

No members have required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Balance sheet (continued)
as at 30 June 2023

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 27 March 2024.



Graham Rex McGregor
Director

The notes on pages 10 to 24 form an integral part of these financial statements.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Statement of changes in equity for the period ended 30 June 2023

	Called-up share capital	Share premium account	Capital redemption reserve	Share based payments reserve	Profit and loss account	Total shareholder's funds/(deficit)
	£	£	£	£	£	£
At 1 January 2021	945	67,178	127	-	58,583	126,833
Loss for the financial period	-	-	-	-	(9,898,721)	(9,898,721)
Share based payments reserve	-	-	-	864,888	-	864,888
Purchase of own shares	-	-	(127)	-	-	(127)
Shares issued during the year	13,500,005	(225)	-	-	-	13,499,780
At 30 June 2022	13,500,950	66,953	-	864,888	(9,840,138)	4,592,653
Loss for the financial period	-	-	-	-	(27,502,127)	(27,502,127)
Shares issued during the year	1,094,948	-	-	(1,094,948)	-	-
Share based payments reserve	-	-	-	1,859,000	-	1,859,000
At 30 June 2023	14,595,898	66,953	-	1,628,940	(37,342,265)	(21,050,474)

The notes on pages 10 to 24 form an integral part of these financial statements.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023

1. General information

Allpoints Fibre Networks Limited (Formerly Giganet Limited) is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom, company number: 03401975. The registered office is at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

On 22 March 2023, the Company's shares were transferred from Fern Fibre Limited to Fern Fibre Trading Limited (Formerly Swish Trading Limited), thus, on this date, the new immediate parent undertaking was Fern Fibre Trading Limited (Formerly Swish Trading Limited). However, on 5 June 2023, the Company's shares were transferred from Fern Fibre Trading Limited (Formerly Swish Trading Limited) to Fern Networks Limited. The new immediate parent undertaking is now Fern Networks Limited.

The principal activity of the Company continued to be that of telecom and connectivity services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. No critical judgements and estimates have been applied to these financial statements.

The Company's functional and presentation currency is the pound sterling.

The following principal accounting policies have been applied:

2.2 Exemptions for qualifying entities under FRS 102

The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under section 7 of FRS 102;
- from disclosing the Company's key management personnel compensation as required by FRS 102 paragraph 33.7; and
- from disclosing related party transactions that are wholly owned within the same group as required by FRS 102 paragraph 33.8.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due and have determined that based on recent trading of the Company and revised projections, current global events are not expected to have a detrimental impact on the Company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the Company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible negative impact of these events.

2.4 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.

2.5 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.6 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

2.7 Interest income

Interest income is recognised in Statement of comprehensive income using the effective interest rate method.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

2.8 Interest expense

Interest expense is recognised as interest accrues using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to its net carrying amount.

2.9 Intangible assets

License is stated at cost less accumulated amortisation and accumulated impairment losses. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

License	Amortisation over 25 years
---------	----------------------------

2.10 Tangible assets

Tangible assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use and an estimate of the cost of dismantling and removing the item, and restoring the site if required.

Assets under construction include civil works, materials, labour and related overhead costs. These assets are not depreciated until they are available for use, at which point they are transferred to the appropriate and permanent category of tangible fixed assets once construction is completed.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and recognised within Statement of comprehensive income.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised at the earliest of the date of disposal or at the point where no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of comprehensive income.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Plant and equipment	15% reducing balance
Fixtures and fittings	15% reducing balance
Computers	straight line over 3 years
Motor vehicles	25% reducing balance
Office Equipment	straight line over 4 years

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

2.11 Impairment of non-financial assets

At each reporting date non-financial assets are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the Statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of comprehensive income.

2.12 Inventory

Inventories 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 on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of comprehensive income.

2.13 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

2.13 Taxation (continued)

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.14 Financial instruments

(i) Financial assets

Financial assets, which include debtors 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 rate method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) 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 entity after deducting all of its financial liabilities.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

Financial instruments (continued)

(ii) Financial liabilities (continued)

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the Statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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.

2.15 Equity instruments

Equity instruments issued by the Company are recorded at the 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.

2.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the Balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to Statement of comprehensive income so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to Statement of comprehensive income 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 leases asset are consumed.

2.17 Share based payments

The Company operates a cash-settled LTIP to qualifying employees whereby employees render services in exchange of cash, the amount of which is determined by the reference to the valuation of the Company. The amount of expense recognised takes into account the best available estimate of the number of the units expected to vest under the service and performance conditions underlying each award granted.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

2. Accounting policies (continued)

2.18 Share based payments (continued)

Cash settled share based payments are measured at the fair value at the balance sheet date. The Company recognised a share based payment reserve, taking into account the estimated number of units that will actually vest and the current proportion of the vesting period. Changes in the value of the reserve are recognised in the Income statement.

The Company has no equity settled arrangements.

2.19 Investments

Investments in subsidiary undertakings and associates are accounted for at cost less any provision for impairment. The value of investments is reviewed annually by the directors or more frequently if there is a triggering event and provision made where the investment's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the Statement of comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the investment in prior years. A reversal of impairment loss is recognised immediately in the Statement of comprehensive income.

2.20 Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the group. It does not disclose transactions with members of the same group that are wholly owned.

3. Turnover

During the financial year, the Company's revenue was earned from the telecommunications activities in the United Kingdom.

4. Employees and directors' remuneration

The Company had 258 employees during the year (2022: 77). The directors received remuneration of £628,992 (2022: £406,233) with contribution to defined contribution pension scheme £13,083 (2022: £16,000).

5. Interest receivable and similar income

	For the period from 1 January 2021 to 30 June	
	2023	2022
	£	£
Interest receivable on loans from group undertakings	204,315	-
Bank interest receivable	67	-
	<u>204,382</u>	<u>-</u>

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

6. Interest payable and similar expenses

		For the period from 1 January 2021 to 30 June 2022
	2023	2022
	£	£
Interest payable on loans from group undertakings	7,479,016	293,178
Bank charges	-	72
Other interest payable	-	11,212
	7,479,016	304,462

7. Taxation

		For the period from 1 January 2021 to 30 June 2022
	2023	2022
	£	£
Current tax		
United Kingdom corporation tax on loss for the year/period	(8,208,426)	(2,271,411)
Adjustment in respect of previous years	507,855	-
Total current tax	(7,700,571)	(2,271,411)
Deferred tax		
Origination and reversal of temporary differences	257,590	(25,804)
Effect of changes in tax rates	56,607	(8,148)
Adjustment in respect of previous years	(319,845)	62,475
Total deferred tax	(5,648)	28,523
Total tax credit for the year/period	(7,706,219)	(2,242,888)

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

7. Taxation (continued)

Factors affecting tax credit for the year/period

The tax assessed for the year is higher (2022: lower) than the standard rate of corporation tax in the United Kingdom of 20.50% (2022: 19%). The differences are explained below:

	2023	For the period from 1 January 2021 to 30 June 2022
	£	£
Loss before taxation	(35,208,346)	(12,141,609)
Tax on loss at standard corporation tax rate of 20.50% (2022: 19%)	(7,216,263)	(2,306,906)
Effects of:		
Expenses not deductible	8,788	9,692
Adjustment in respect of previous years	188,009	62,474
Effect of changes in tax rates	56,607	(8,148)
Super deduction	(2,792,949)	-
Deferred tax not provided	2,049,589	-
Total tax credit for the year/period	(7,706,219)	(2,242,888)

Factors that may affect future tax charges

United Kingdom Budget 2021 announcements on 3 March 2021 included an increase to the United Kingdom's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. The Finance Bill 2021 was substantively enacted on 24 May 2021 and given Royal Assent on 10 June 2021.

Deferred taxes on the Balance sheet have been measured at 25% which represents the future corporation tax rate that was enacted at the Balance sheet date.

The deferred tax asset amounting to £2,832,313 is unrecognised because it is more likely than not that there will be insufficient taxable profit in future to recover the asset.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

8. Intangible assets

	License £
Cost	
At 1 July 2022	210,551
Additions	326,687
At 30 June 2023	537,238
Accumulated amortisation	
At 1 July 2022	2,298
Charge during the financial year	28,237
At 30 June 2023	30,535
Net book value	
At 30 June 2023	506,703
At 30 June 2022	208,253

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements
for the year ended 30 June 2023 (continued)

9. Tangible assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Assets under construction £	Total £
Cost								
At 1 July 2022	-	9,078	1,514,753	144,233	348,981	1,527,206	12,555,552	16,099,803
Additions	554,761	-	1,158,768	221,123	1,642,909	6,169,114	70,617,821	80,364,496
Disposals	-	(9,078)	-	(82,864)	(124,966)	(434,056)	-	(650,964)
At 30 June 2023	554,761	-	2,673,521	282,492	1,866,924	7,262,264	83,173,373	95,813,335
Accumulated depreciation								
At 1 July 2022	-	4,945	111,262	81,705	48,426	344,700	-	591,038
Charge during the financial year	43,042	4,133	471,442	50,379	187,650	808,119	-	1,564,765
Disposals	-	(9,078)	-	(82,864)	(124,966)	-	-	(216,908)
At 30 June 2023	43,042	-	582,704	49,220	111,110	1,152,819	-	1,938,895
Net book value								
At 30 June 2023	511,719	-	2,090,817	233,272	1,755,814	6,109,445	83,173,373	93,874,440
At 30 June 2022	-	4,133	1,403,491	62,528	300,555	1,182,506	12,555,552	15,508,765

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

10. Investments

	Investments in subsidiary companies £
Cost	
At 1 July 2022	1,002
Additions	7,304,852
Disposals	(1,000)
At 30 June 2023	<u>7,304,854</u>
Impairment	
1 July 2022 and 30 June 2023	<u>-</u>
Net book value	
At 30 June 2023	<u><u>7,304,854</u></u>
At 30 June 2022	<u><u>1,002</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of Incorporation	Class of shares	Holding	Principal activity
Giganet Fibre Ltd	United Kingdom	Ordinary	100%	Fibre network production
M 12 Solutions Limited	United Kingdom	Ordinary	100%	Fibre network production
Cuckoo Internet Limited	United Kingdom	Ordinary	100%	Fibre network production

Country	Registration office
United Kingdom	6th Floor, 33 Holborn, London, England, EC1N 2HT

11. Inventory

	2023 £	2022 £
Finished goods	<u><u>4,348,399</u></u>	<u><u>2,719,207</u></u>

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

12. Debtors: amounts falling due within one year

	2023 £	2022 £
Trade debtors	616,119	248,641
Amounts owed by group undertakings	7,573,896	-
Prepayments and accrued income	4,246,318	1,282,851
Corporation tax receivable	9,971,982	2,271,411
Other debtors	1,192,209	1,990,833
	23,600,524	5,793,736

Amounts owed by group undertakings includes £7,573,896 (2022: £nil) falling due after more than one year.

13. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	9,045,518	2,128,035
Other taxation and social security	1,004,149	299,529
Accruals and deferred income	5,516,995	1,652,313
Other creditors	2,652,860	29,848
	18,219,522	4,109,725

Within creditors there are balances totalling £nil (2022: £579) which relate to hire purchase agreements. These balances are secured against the assets to which they relate.

14. Creditors: amounts falling due after more than one year

	2023 £	2022 £
Amount owed to group undertakings	132,698,328	18,000,000
	132,698,328	18,000,000

Amounts owed to group undertakings are unsecured loans with year end balances amounting to 132,698,328 (2022: £18,000,000). The loans bear interest at 9% (2022: 9%) and are repayable on demand.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

15. Deferred tax liability

	2023 £	2022 £
At 1 July 2022/1 January 2021	5,648	353
(Credit)/charge to Statement of comprehensive income	(5,648)	5,295
At 30 June 2023/2022	-	5,648

The deferred tax liability is made up as follows:

	2023 £	2022 £
Fixed asset timing differences	20,175,602	17,454
Short term timing differences - trading and derivatives	(20,175,602)	(11,806)
	-	5,648

16. Provisions

	Dilapidated provision £
At 1 July 2022	-
Additions	13,800
At 30 June 2023	13,800

A provision relates to dilapidation provision which is in place to satisfy the Company's property lease commitments.

17. Called-up share capital

	2023 £	2022 £
Allotted, called-up and fully paid		
14,595,898 (2022: 13,500,950) Ordinary shares of £1.00 each	14,595,898	13,500,950

During the year, the Company issued 1,094,948 ordinary shares of £1 each at par value.

Allpoints Fibre Networks Limited (Formerly Giganet Limited)

Notes to the financial statements for the year ended 30 June 2023 (continued)

18. Operating lease commitments

For the year ended 30 June, the Company had future minimum lease payments due under non-cancellable operating leases, for each of the following periods:

	2023 £	2022 £
Payment due:		
Not later than one year	496,196	126,342
Later than one year and not later than five years	1,233,119	588,045
Later than five years	-	-
	1,729,315	714,387

19. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Fern Networks Limited, a company incorporated in England, the United Kingdom.

The ultimate parent undertaking as at the year ended 30 June 2023 was Fern Trading Limited, a company incorporated in England, the United Kingdom. Fern Trading Limited is the smallest and largest group of undertakings to consolidate these financial statements. Copies of Fern Trading Limited's consolidated financial statements can be obtained from the company secretary at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

20. Events since the Balance sheet date

On 31 January 2024, the Fern Fibre Trading Limited group of companies (the "Fern Fibre Group") carried out an internal reorganisation to provide a separate concentrated focus between the retail businesses and the network businesses of the Fern Fibre Group. As a result, retail business activity has been transferred to Cuckoo Fibre Limited and network business activity transferred to Allpoints Fibre Networks Limited.