

**GOONHILLY HOLDINGS LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 MAY 2022**

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**GOONHILLY HOLDINGS LIMITED**  
**REGISTERED NUMBER:11305066**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2022**

|   | Note | 2022<br>£               | 2021<br>£                |
|---|------|-------------------------|--------------------------|
| <b>Fixed assets</b>                                     |      |                         |                          |
| Intangible assets                                       | 7    | 6,349,896               | 7,420,562                |
| Tangible assets   | 8    | 10,996,099              | 12,141,029               |
|   |      | <u>17,345,995</u>       | <u>19,561,591</u>        |
| <b>Current assets</b>                                   |      |                         |                          |
| Debtors: amounts falling due within one year            | 10   | 729,102                 | 732,920                  |
| Cash at bank and in hand                                | 11   | 2,424,228               | 3,314,325                |
|   |      | <u>3,153,330</u>        | <u>4,047,245</u>         |
| Creditors: amounts falling due within one year          | 12   | (1,432,163)             | (1,945,428)              |
| <b>Net current assets</b>                               |      | <u>1,721,167</u>        | <u>2,101,817</u>         |
| <b>Total assets less current liabilities</b>            |      | <u>19,067,162</u>       | <u>21,663,408</u>        |
| Creditors: amounts falling due after more than one year | 13   | (9,279,132)             | (9,239,848)              |
| <b>Net assets</b>                                       |      | <u><u>9,788,030</u></u> | <u><u>12,423,560</u></u> |
| <b>Capital and reserves</b>                             |      |                         |                          |
| Called up share capital                                 |      | 1,346                   | 1,346                    |
| Share premium account                                   | 17   | 7,242,174               | 7,242,174                |
| Other reserves  | 17   | 3,877,048               | 3,877,045                |
| Merger reserve  | 17   | 5,403,273               | 5,403,273                |
| Profit and loss account                                 | 17   | (6,735,811)             | (4,100,278)              |
|   |      | <u><u>9,788,030</u></u> | <u><u>12,423,560</u></u> |

**GOONHILLY HOLDINGS LIMITED**  
**REGISTERED NUMBER:11305066**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MAY 2022**

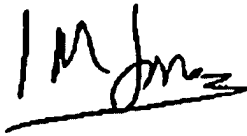
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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

A handwritten signature in black ink, appearing to read 'I M Jones', with a horizontal line drawn underneath it.

**Mr I Jones**  
Director

Date: 17 February 2023

The notes on pages 5 to 18 form part of these financial statements.

**GOONHILLY HOLDINGS LIMITED**  
**REGISTERED NUMBER:11305066**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2022**

|   | Note | 2022<br>£                | 2021<br>£                |
|---|------|--------------------------|--------------------------|
| <b>Fixed assets</b>                                     |      |                          |                          |
| Investments   | 9    | 13,797,965               | 13,797,965               |
|   |      | <u>13,797,965</u>        | <u>13,797,965</u>        |
| <b>Current assets</b>                                   |      |                          |                          |
| Debtors: amounts falling due after more than one year   | 10   | 6,847,583                | 7,440,384                |
| Debtors: amounts falling due within one year            | 10   | 8,340                    | 8,456                    |
| Cash at bank and in hand                                | 11   | 2,004,525                | 1,859,402                |
|   |      | <u>8,860,448</u>         | <u>9,308,242</u>         |
| Creditors: amounts falling due within one year          | 12   | (2,722)                  | (1,813)                  |
| <b>Net current assets</b>                               |      | <u>8,857,726</u>         | <u>9,306,429</u>         |
| <b>Total assets less current liabilities</b>            |      | <u>22,655,691</u>        | <u>23,104,394</u>        |
| Creditors: amounts falling due after more than one year | 13   | (9,279,132)              | (8,843,479)              |
| <b>Net assets</b>                                       |      | <u><u>13,376,559</u></u> | <u><u>14,260,915</u></u> |
| <b>Capital and reserves</b>                             |      |                          |                          |
| Called up share capital                                 |      | 1,346                    | 1,346                    |
| Share premium account                                   | 17   | 7,242,174                | 7,242,174                |
| Other reserves  | 17   | 3,877,045                | 3,877,045                |
| Merger reserve  | 17   | 5,403,273                | 5,403,273                |
| Profit and loss account                                 | 17   | (3,147,279)              | (2,262,923)              |
|   |      | <u><u>13,376,559</u></u> | <u><u>14,260,915</u></u> |

**GOONHILLY HOLDINGS LIMITED**  
**REGISTERED NUMBER:11305066**

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MAY 2022**

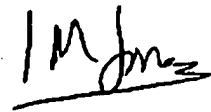
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The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

A handwritten signature in black ink, appearing to read 'I Jones', with a horizontal line drawn underneath it.

**Mr I Jones**  
Director

Date: 17 February 2023

The notes on pages 5 to 18 form part of these financial statements.

## **GOONHILLY HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022**

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#### **1. GENERAL INFORMATION**

Goonhilly Holdings Limited (registered number 11305066) is a private company, limited by shares and incorporated in England and Wales. The address of its registered office is Goonhilly Satellite Earth Station, Goonhilly Downs, Helston, Cornwall, TR12 6LQ.

#### **2. ACCOUNTING POLICIES**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The 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 Statement of income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

##### **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 Statement of financial position, 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 statement of income and retained earnings 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.

##### **2.3 GOING CONCERN**

The Group have made significant losses in the current year and prior period. However, it is the opinion of the Directors that the Group remains a going concern as losses have been incurred in investing in new projects which are expected to drive a significant future growth in income. EBITDA for the current year indicates an underlying profitable trading performance of £641,638.

The Group is in a significant net asset position, including a strong cash balance. In addition, a further loan note facility is available to the Group. The Directors forecast the cashflow to remain in a strong position for the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

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**2. ACCOUNTING POLICIES (continued)**

**2.4 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 GOVERNMENT GRANTS**

Government grants are recognised at fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants that are capital in nature are recognised by either the performance or accruals method depending on purpose of the grant.

Under the accruals method, grants relating to expenditure on tangible fixed assets are credited to the statement of comprehensive income at the same rate as the depreciation on the assets to which the grants relates. The deferred element of grants is included in creditors as deferred income.

Under the performance method, a grant is recognised in income when the specified performance conditions of the grant are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**2.6 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

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**2. ACCOUNTING POLICIES (continued)**

**2.7 TAXATION**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

**2.8 INTANGIBLE ASSETS**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of income and retained earnings over its useful economic life.

**Other 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The estimated useful lives range as follows:

|          |   |    |       |
|----------|---|----|-------|
| Goodwill | - | 10 | years |
| Software | - | 5  | years |

**2.9 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

Discounting of the interest free loans provided to the subsidiary company are accounted for as additional capital contributions.

**2.10 BUSINESS COMBINATIONS**

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the acquirer's interest in the fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.11 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.

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:

|                              |          |
|------------------------------|----------|
| Long-term leasehold property | - 10-20% |
| Plant and machinery          | - 15-25% |
| Motor vehicles               | - 25%    |
| Fixtures and fittings        | - 25%    |
| Computer equipment           | - 33.33% |

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.

Assets under the course of construction are not depreciated.

**2.12 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.

**2.13 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.

**2.14 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

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**2. ACCOUNTING POLICIES (continued)**

**2.15 FINANCIAL INSTRUMENTS**

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument.

This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured.

Other than the convertible loan notes, the Group 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 the convertible loan notes and those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

**2.16 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.

**2.17 SHARE CAPITAL**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

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**2. ACCOUNTING POLICIES (continued)**

**2.18 PENSIONS**

**Defined contribution 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 Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**2.19 RESEARCH AND DEVELOPMENT**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.20 BORROWING COSTS**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES 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 Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The directors believe that the key judgements and estimates during the year are as follows:

Effective interest on loans - The directors have estimated an effective interest rate to be applied to discount interest free intercompany loans due for repayment in more than one year. This estimate was made at initial recognition and is not reassessed.

Grant income recognition - The company receives a grant which is accounted for under the performance method. A key estimate is the level of performance conditions that have been met, and hence the value of the grant to be recognised.

Lifetime of goodwill - The group has recognised goodwill upon the purchase of its subsidiary in the prior year which is amortised. A key estimate is the rate that the goodwill is being amortised at.

**4. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 44 (2021: 46).

**GOONHILLY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

|  | 2022<br>£      | 2021<br>£      |
|--|----------------|----------------|
| Bank interest payable                      | 26,957         | 69,733         |
| Other loan interest payable                | 884,348        | 772,571        |
| Finance leases and hire purchase contracts | 1,874          | 1,874          |
|  | <u>913,179</u> | <u>844,178</u> |

**6. PARENT COMPANY PROFIT FOR THE YEAR**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements. The loss after tax of the parent Company for the year was £884,357 (2021: loss £768,486).

**7. INTANGIBLE ASSETS**

**Group and Company**

|                                     | Computer<br>software<br>£ | Goodwill<br>£     | Total<br>£        |
|-------------------------------------|---------------------------|-------------------|-------------------|
| <b>COST</b>                         |                           |                   |                   |
| At 1 June 2021                      | 25,473                    | 10,655,708        | 10,681,181        |
| At 31 May 2022                      | <u>25,473</u>             | <u>10,655,708</u> | <u>10,681,181</u> |
| <b>AMORTISATION</b>                 |                           |                   |                   |
| At 1 June 2021                      | 5,519                     | 3,255,100         | 3,260,619         |
| Charge for the year on owned assets | 5,095                     | 1,065,571         | 1,070,666         |
| At 31 May 2022                      | <u>10,614</u>             | <u>4,320,671</u>  | <u>4,331,285</u>  |
| <b>NET BOOK VALUE</b>               |                           |                   |                   |
| At 31 May 2022                      | <u>14,859</u>             | <u>6,335,037</u>  | <u>6,349,896</u>  |
| At 31 May 2021                      | <u>19,954</u>             | <u>7,400,608</u>  | <u>7,420,562</u>  |

GOONHILLY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

8. TANGIBLE FIXED ASSETS

Group

|                                     | Long-term<br>leasehold<br>property<br>£ | Plant and<br>machinery<br>£ | Motor vehicles<br>£ | Fixtures and<br>fittings<br>£ | Computer<br>equipment<br>£ | Assets under<br>the course of<br>construction<br>£ | Total<br>£ |
|-------------------------------------|---|-----------------------------|---------------------|-------------------------------|----------------------------|--|------------|
| <b>COST OR VALUATION</b>            |   |                             |                     |                               |                            |  |            |
| At 1 June 2021                      | 4,575,912                               | 4,028,577                   | 113,379             | 101,159                       | 175,825                    | 5,993,954  | 14,988,806 |
| Additions                           | 16,652                                  | 69,162                      | -                   | 6,733                         | 12,762                     | 26,802   | 132,111    |
| Disposals                           | -                                       | -                           | (15,950)            | -                             | -                          | (284)  | (16,234)   |
| Transfers between classes           | 102,258                                 | 5,908,945                   | -                   | 2,856                         | 6,413                      | (6,020,472)  | -          |
| At 31 May 2022                      | 4,694,822                               | 10,006,684                  | 97,429              | 110,748                       | 195,000                    | -  | 15,104,683 |
| <b>DEPRECIATION</b>                 |   |                             |                     |                               |                            |  |            |
| At 1 June 2021                      | 561,987                                 | 2,020,690                   | 86,684              | 45,962                        | 132,454                    | -  | 2,847,777  |
| Charge for the year on owned assets | 136,717                                 | 1,058,356                   | 22,157              | 24,985                        | 34,542                     | -  | 1,276,757  |
| Disposals                           | -                                       | -                           | (15,950)            | -                             | -                          | -  | (15,950)   |
| At 31 May 2022                      | 698,704                                 | 3,079,046                   | 92,891              | 70,947                        | 166,996                    | -  | 4,108,584  |
| <b>NET BOOK VALUE</b>               |   |                             |                     |                               |                            |  |            |
| At 31 May 2022                      | 3,996,118                               | 6,927,638                   | 4,538               | 39,801                        | 28,004                     | -  | 10,996,099 |
| At 31 May 2021                      | 4,013,925                               | 2,007,887                   | 26,695              | 55,197                        | 43,371                     | 5,993,954  | 12,141,029 |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

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**8. TANGIBLE FIXED ASSETS (CONTINUED)**

The net book value of land and buildings may be further analysed as follows:

|                | 2022<br>£               | 2021<br>£               |
|----------------|-------------------------|-------------------------|
| Long leasehold | 3,996,118               | 4,013,925               |
|                | <u>3,996,118</u>        | <u>4,013,925</u>        |
|                | <u><u>3,996,118</u></u> | <u><u>4,013,925</u></u> |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

|                | 2022<br>£       | 2021<br>£            |
|----------------|-----------------|----------------------|
| Motor vehicles | -               | 23,663               |
|                | <u>-</u>        | <u>23,663</u>        |
|                | <u><u>-</u></u> | <u><u>23,663</u></u> |

**GOONHILLY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

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**9. FIXED ASSET INVESTMENTS**

**Company**

|                          | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£</b> |
|--------------------------|--|
| <b>COST OR VALUATION</b> |  |
| At 1 June 2021           | 13,797,965   |
| At 31 May 2022           | <u>13,797,965</u>  |

**SUBSIDIARY UNDERTAKING**

The following was a subsidiary undertaking of the Company:

| <b>Name</b>                     | <b>Registered office</b>   | <b>Class of<br/>shares</b> | <b>Holding</b> |
|---------------------------------|--|----------------------------|----------------|
| Goonhilly Earth Station Limited | Goonhilly Satellite Earth<br>Station, Goonhilly<br>Downs, Helston,<br>Cornwall, TR12 6LQ | Ordinary                   | 100%           |

The aggregate of the share capital and reserves as at 31 May 2022 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

| <b>Name</b>                     | <b>Aggregate<br/>of share<br/>capital and<br/>reserves</b> | <b>Profit/(Loss)</b> |
|---------------------------------|--|----------------------|
| Goonhilly Earth Station Limited | 1,849,657  | (674,451)            |

**GOONHILLY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**10. DEBTORS**

|                                     | <b>Group<br/>2022<br/>£</b> | <b>Group<br/>2021<br/>£</b> | <b>Company<br/>2022<br/>£</b> | <b>Company<br/>2021<br/>£</b> |
|-------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>DUE AFTER MORE THAN ONE YEAR</b> |                             |                             |                               |                               |
| Amounts owed by group undertakings  | -                           | -                           | 6,847,583                     | 7,440,384                     |
|                                     | <u>-</u>                    | <u>-</u>                    | <u>6,847,583</u>              | <u>7,440,384</u>              |
|                                     | <b>Group<br/>2022<br/>£</b> | <b>Group<br/>2021<br/>£</b> | <b>Company<br/>2022<br/>£</b> | <b>Company<br/>2021<br/>£</b> |
| <b>DUE WITHIN ONE YEAR</b>          |                             |                             |                               |                               |
| Trade debtors                       | 195,889                     | 174,724                     | -                             | -                             |
| Other debtors                       | 47,964                      | 167,062                     | 8,144                         | 8,456                         |
| Prepayments and accrued income      | 485,249                     | 113,941                     | 196                           | -                             |
| Tax recoverable                     | -                           | 277,193                     | -                             | -                             |
|                                     | <u>729,102</u>              | <u>732,920</u>              | <u>8,340</u>                  | <u>8,456</u>                  |

**11. CASH AND CASH EQUIVALENTS**

|                          | <b>Group<br/>2022<br/>£</b> | <b>Group<br/>2021<br/>£</b> | <b>Company<br/>2022<br/>£</b> | <b>Company<br/>2021<br/>£</b> |
|--------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Cash at bank and in hand | 2,424,228                   | 3,314,325                   | 2,004,525                     | 1,859,402                     |
|                          | <u>2,424,228</u>            | <u>3,314,325</u>            | <u>2,004,525</u>              | <u>1,859,402</u>              |

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|   | <b>Group<br/>2022<br/>£</b> | <b>Group<br/>2021<br/>£</b> | <b>Company<br/>2022<br/>£</b> | <b>Company<br/>2021<br/>£</b> |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade creditors   | 277,454                     | 52,182                      | 972                           | 63                            |
| Other taxation and social security                          | 61,947                      | 51,950                      | -                             | -                             |
| Obligations under finance lease and hire purchase contracts | 51,010                      | 8,564                       | -                             | -                             |
| Other creditors   | 11,922                      | 11,373                      | -                             | -                             |
| Accruals and deferred income                                | 1,029,830                   | 1,821,359                   | 1,750                         | 1,750                         |
|   | <u>1,432,163</u>            | <u>1,945,428</u>            | <u>2,722</u>                  | <u>1,813</u>                  |

Obligations under finance lease and hire purchase contracts are secured over the related assets of the company.



**GOONHILLY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022**

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|  | <b>Group<br/>2022<br/>£</b> | <b>Group<br/>2021<br/>£</b> | <b>Company<br/>2022<br/>£</b> | <b>Company<br/>2021<br/>£</b> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Other loans  | <b>9,279,132</b>            | 8,843,479                   | <b>9,279,132</b>              | 8,843,479                     |
| Net obligations under finance leases and hire purchase contracts | -                           | 51,010                      | -                             | -                             |
| Accruals and deferred income                                     | -                           | 345,359                     | -                             | -                             |
|  | <b>9,279,132</b>            | <b>9,239,848</b>            | <b>9,279,132</b>              | <b>8,843,479</b>              |

Obligations under finance lease and hire purchase contracts are secured over the related assets of the company.

**14. LOANS**

Included in non-current liabilities is a convertible loan note from the Hargreaves Trust. The loan is nominated in sterling with a nominal rate of interest of 1% over base rate for the first 3 years and 4% over base rate thereafter. It is secured on the assets of the company and the debt not converted to equity will be redeemed in equal annual installments over a five year period ending on the 10th anniversary of completion being the 11 May 2028.

The convertible loan is measured at fair value using a 10% discount rate, being the estimated prevailing market interest rate for a similar non-convertible instrument, with the balance shown in equity.

The loan is secured against the assets of the Group.

|  | <b>Group<br/>2022<br/>£</b> | <b>Group<br/>2021<br/>£</b> | <b>Company<br/>2022<br/>£</b> | <b>Company<br/>2021<br/>£</b> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| <b>AMOUNTS FALLING DUE 2-5 YEARS</b>               |                             |                             |                               |                               |
| Other loans  | <b>6,973,704</b>            | 3,155,522                   | <b>6,973,704</b>              | 3,155,522                     |
| <b>AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS</b> |                             |                             |                               |                               |
| Other loans  | <b>2,305,428</b>            | 5,687,957                   | <b>2,305,428</b>              | 5,687,957                     |
|  | <b>9,279,132</b>            | <b>8,843,479</b>            | <b>9,279,132</b>              | <b>8,843,479</b>              |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

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**15. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

|                   | Group<br>2022<br>£ | Group<br>2021<br>£ |
|-------------------|--------------------|--------------------|
| Within one year   | 51,010             | 8,564              |
| Between 1-5 years | -                  | 51,010             |
|                   | <u>51,010</u>      | <u>59,574</u>      |

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2022

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**16. DEFERRED TAXATION**

Deferred tax assets relating to trading losses of £247,052 have not been recognised as the directors do not consider that there is sufficient certainty over future taxable profits. At group level there are deferred tax assets totalling £1,627,240.

**17. RESERVES**

**Share premium account**

This reserve records the amount by which the amount received by the company for shares issued exceeds its face value.

**Other reserves**

This reserve comprises the balance of equity when treating the convertible loan note as a compound financial instrument.

**Merger Reserve**

This reserve comprises a fair value adjustment to the investment in subsidiaries acquired through share for share exchanges.

**Profit and loss account**

This reserve records retained earnings and accumulated losses.

**18. PENSION COMMITMENTS**

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £34,187 (2021: £35,393). Contributions totalling £8,759 (2021: £8,074) were payable to the fund at the reporting date.

**19. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption in section 33.1a of FRS 102 in not disclosing intra group transactions where 100% of the voting rights are controlled within the group.

**20. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the year ended 31 May 2022 was unqualified.

The audit report was signed on 20 February 2023 by Nathan Coughlin FCA (Senior statutory auditor) on behalf of Bishop Fleming LLP.