

Company registration number 11514559 (England and Wales)

**F & W NETWORKS LTD**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2022**  
**PAGES FOR FILING WITH REGISTRAR**

# F & W NETWORKS LTD

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# F & W NETWORKS LTD

## BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	as restated	£
<b>Fixed assets</b>					
Tangible assets	4	29,190,427		10,439,864	
Investments	5		1		1
		<u>29,190,428</u>		<u>10,439,865</u>	
<b>Current assets</b>					
Debtors	6	5,005,383		1,583,763	
Cash at bank and in hand		<u>680,285</u>		<u>3,648,462</u>	
		5,685,668		5,232,225	
<b>Creditors: amounts falling due within one year</b>	7	<u>(2,235,989)</u>		<u>(831,696)</u>	
<b>Net current assets</b>		<u>3,449,679</u>		<u>4,400,529</u>	
<b>Total assets less current liabilities</b>		<u>32,640,107</u>		<u>14,840,394</u>	
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(11,866,411)</u>		<u>-</u>	
<b>Net assets</b>		<u>20,773,696</u>		<u>14,840,394</u>	
<b>Capital and reserves</b>					
Called up share capital	9	27,173,924		17,659,873	
Profit and loss reserves		<u>(6,400,228)</u>		<u>(2,819,479)</u>	
<b>Total equity</b>		<u>20,773,696</u>		<u>14,840,394</u>	

The directors of the company have elected not to include a copy of the profit and loss account 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 9 February 2023 and are signed on its behalf by:

C Bock Montero  
Director

Company Registration No. 11514559

# F & W NETWORKS LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

#### Company information

F & W Networks Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT. The trading address is 184 Shepherds Bush Road, London, W6 7NL.

#### 1.1 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.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### 1.2 Going concern

The directors are of the opinion that the ongoing Covid-19 pandemic had slowed the company's progress which is still in its early development stage. Having reviewed the company's financial position, additional equity funding secured in September 2022 and anticipated future profitability and cash flows, the directors have a reasonable expectation that the company and group has adequate resources to continue in operational existence for the foreseeable future. This is also in part dependent on the continuing financial support of the group's bankers. Thus the going concern basis has been adopted in preparing the financial statements for the year ended 31 August 2022.

#### 1.3 Turnover

Turnover is attributable to the sale of high speed internet broadband and the installation of the infrastructure related to that provision. Turnover is recognised net of sales tax and discounts when the amount of turnover can be reliably measured.

Installation fees are recognised on acceptance of each contract.

#### 1.4 Tangible fixed assets

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

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

Network assets	Straight line over 10 - 20 years
Exchange equipment	Straight line over 7 years
Installations	Straight line over 5 years
Furniture, fittings and equipment	Straight line over 3 years

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 the profit and loss account.

# F & W NETWORKS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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### 1 Accounting policies

(Continued)

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# F & W NETWORKS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.8 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 in the company's balance sheet 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.

##### **Basic financial assets**

Basic 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 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.

##### **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 creditors, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 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.

#### 1.10 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.

#### 1.11 Retirement benefits

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

# F & W NETWORKS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

### 1 Accounting policies

(Continued)

#### 1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account 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.

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in the profit and loss account.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Useful lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates and the physical condition of the assets.

### 3 Employees

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

	2022 Number	2021 Number
Total	39	12

# F & W NETWORKS LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

<b>4</b>	<b>Tangible fixed assets</b>		<b>Restated Plant and machinery etc</b>
			<b>£</b>
	<b>Cost</b>		
	At 1 September 2021 (restated)		10,639,262
	Additions		19,518,101
			<hr/>
	At 31 August 2022		30,157,363
			<hr/>
	<b>Depreciation and impairment</b>		
	At 1 September 2021		199,398
	Depreciation charged in the year		767,538
			<hr/>
	At 31 August 2022		966,936
			<hr/>
	<b>Carrying amount</b>		
	At 31 August 2022		29,190,427
			<hr/>
	At 31 August 2021 (restated)		10,439,864
			<hr/>
<b>5</b>	<b>Fixed asset investments</b>		
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Shares in group undertakings and participating interests	1	1
		<hr/>	<hr/>
<b>6</b>	<b>Debtors</b>		
		<b>2022</b>	<b>2021</b>
	<b>Amounts falling due within one year:</b>	<b>£</b>	<b>£</b>
	Trade debtors	19,982	-
	Amounts owed by group undertakings	3,594,185	773,604
	Other debtors	1,391,216	810,159
		<hr/>	<hr/>
		5,005,383	1,583,763
		<hr/>	<hr/>
<b>7</b>	<b>Creditors: amounts falling due within one year</b>		
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Trade creditors	1,495,966	259,488
	Taxation and social security	76,911	28,049
	Other creditors	663,112	544,159
		<hr/>	<hr/>
		2,235,989	831,696
		<hr/>	<hr/>

## F & W NETWORKS LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

#### 8 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank and other loans	11,866,411	-

Santander UK Plc have a fixed and floating charge over the assets of F&W Networks Limited.

#### 9 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	27,173,924	17,659,873	27,173,924	17,659,873

On 10 December 2021, 2,703,050 Ordinary shares of £1 each were issued and paid for cash at par.

On 31 December 2021, 6,811,001 Ordinary shares of £1 each were issued and paid for cash at par.

#### 10 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.

Senior Statutory Auditor:  
Statutory Auditor:

Howard Woolf FCA  
Gerald Edelman LLP

#### 11 Operating lease commitments

##### Lessee

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

	2022 £	2021 £
	320,534	-

#### 12 Events after the reporting date

On 29 September 2022, 3,705,535 Ordinary shares of £1 each were issued for a consideration of £15m.

#### 13 Related party transactions

## **F & W NETWORKS LTD**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2022***

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#### **13 Related party transactions**

**(Continued)**

The company has taken the advantage of the exemption available under FRS102 1A, whereby it has not disclosed transactions and balances with its wholly owned group companies.

During the year, management fees amounting to £504,002 (2021: £413,013) were charged by a company for services provided. F Martinez Sanchez and C Bock Montero are directors and shareholders in that entity.

During the year, fees amounting to £51,709 (2021: £72,553) were paid to a company for scientific and technical consultancy services provided. C Bock Montero is a director and shareholder in that entity.

#### **14 Prior period adjustment**

A prior period adjustment has been made to reclassify £253,269 from stock to tangible fixed assets. This adjustment has no impact on the profit or loss or the net assets.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.