

Registered number: 13006400

**FREEDOM FIBRE LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**



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**FREEDOM FIBRE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Nick Gunga (appointed 13 September 2021) Neil McArthur (appointed 9 November 2020) Anthony Moore (appointed 26 February 2021) Darren John Woods (appointed 26 February 2021) David Geoffrey Waine (appointed 26 February 2021, resigned 27 August 2021)
<b>Registered number</b>	13006400
<b>Registered office</b>	145-147 Liverpool Road Cadishead Manchester England M44 5BT
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Landmark St Peters Square 1 Oxford Street Manchester M1 4PB

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**FREEDOM FIBRE LIMITED**

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## **FREEDOM FIBRE LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 NOVEMBER 2021**

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The directors present their report and the financial statements for the period ended 30 November 2021.

Freedom Fibre Limited incorporated on 9 November 2020.

Freedom Fibre is a UK fibre network provider that partners with Internet Service Providers for network optimisation.

#### **Directors**

The directors who served during the period were:

Nick Gunga (appointed 13 September 2021)  
Neil McArthur (appointed 9 November 2020)  
Anthony Moore (appointed 26 February 2021)  
Darren John Woods (appointed 26 February 2021)  
David Geoffrey Waine (appointed 26 February 2021, resigned 27 August 2021)

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Qualifying third party indemnity provisions**

As permitted by the Articles of Association, 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 since the articles were approved on 25 February 2021 and is currently in force.

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**FREEDOM FIBRE LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

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**Going concern**

The directors of Freedom Fibre have adopted the going concern basis of preparation for the Company's 2021 financial statements. The directors have arrived at this opinion after reviewing the Company's annual and medium to long term business plan, capital resources and cash requirements. They are satisfied that the Company is able to adequately fund its operations for the foreseeable future. (See Note 2.2 in the financial statements).

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 11/7/2022 and signed on its behalf.

*Darren Woods*

**Darren John Woods**  
Director



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREEDOM FIBRE LIMITED

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### Opinion

We have audited the financial statements of Freedom Fibre Limited (the 'Company') for the period from 09 November 2020 to 30 November 2021, which comprise the Statement of comprehensive income, the Balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREEDOM FIBRE LIMITED (CONTINUED)**

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

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

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREEDOM FIBRE LIMITED (CONTINUED)

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### Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.





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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREEDOM FIBRE LIMITED (CONTINUED)

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### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and industry in which it operates through our general commercial and sector experience and discussions with management;
- The engagement team's discussions in respect of potential non-compliance with laws and regulations and fraud included the risk of management override of controls;
- We assessed the susceptibility of the Company's financial misstatements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. Audit procedures performed by the engagement team included:
  - Assessing the design and implementation of controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgements made by management in its significant accounting estimates and judgements;
  - Identifying and testing journal entries; and
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement items.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates, and the understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation; and
- In assessing the potential risk of material misstatement we obtained an understanding of the Company's operations to understand the classes of transactions, account balances, expected financial statement disclosures, and business risks that may result in material misstatement, and the Company's control environment, including the adequacy of procedures for the authorisation of transactions.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FREEDOM FIBRE LIMITED (CONTINUED)

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### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Michael Lowe  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
Date: 11/7/2022

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**FREEDOM FIBRE LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

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	Period to 30 November 2021 £
Turnover	7,138
Cost of sales	(44,977)
<b>Gross loss</b>	<b>(37,839)</b>
Administrative expenses	(1,923,379)
Share based payment expense	(54,069)
<b>Operating loss</b>	<b>(2,015,287)</b>
<b>Loss for the financial period</b>	<b>(2,015,287)</b>

There were no recognised gains and losses for the period other than those included in the statement of comprehensive income.

There was no other comprehensive income during the period.

The notes on pages 10 to 19 form part of these financial statements.

**FREEDOM FIBRE LIMITED**  
**REGISTERED NUMBER:13006400**

**BALANCE SHEET**  
**AS AT 30 NOVEMBER 2021**

	Note	2021 £
<b>Fixed assets</b>		
Tangible assets	7	5,127,442
		<u>5,127,442</u>
<b>Current assets</b>		
Debtors: amounts falling due within one year	8	703,619
Cash at bank and in hand	9	2,569,905
		<u>3,273,524</u>
Creditors: amounts falling due within one year	10	(1,362,184)
		<u>1,911,340</u>
<b>Net current assets</b>		<u>1,911,340</u>
<b>Total assets less current liabilities</b>		<u>7,038,782</u>
<b>Net assets</b>		<u><u>7,038,782</u></u>
<b>Capital and reserves</b>		
Called up share capital	11	8,333,333
Share premium account	11	666,667
Share based payment reserve	11	54,069
Profit and loss account	11	(2,015,287)
		<u>7,038,782</u>

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 were approved and authorised for issue by the board and were signed on its behalf on 11/7/2022

*Darren Woods*

**Darren John Woods**  
 Director

The notes on pages 10 to 19 form part of these financial statements.

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**FREEDOM FIBRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

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**1. General information**

Freedom Fibre Limited is a private company limited by shares and incorporated in England and Wales. Registered number 13006400. Its registered head office is located at 145-147 Liverpool Road, Cadishead, Manchester, England, M44 5BT.

The Company was incorporated on 9 November 2020.

**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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The Directors have considered Freedom Fibre's key risk factors in determining its status as a going concern. The key factors below are believed to be the most significant to the business:

**Funding and covenant compliance:** Freedom Fibre has secured £16m debt facility with Santander and £84m capital commitment from Equitix (£24m cash equity and £60m loan note). This level of funding supports the current agreed expansionary plan throughout the going concern assessment period to 30 June 2023. The Directors intend to seek further finance immediately after the going concern assessment period to meet the liquidity needs of this plan. Time is always critical when raising funding of any kind so, as a contingency, a 'steady state' plan has also been created and shared with lenders and investors which would enable Freedom Fibre to progress at a slower build rate should capital become a restriction in the future. All of the network build and much of the network design is carried out on a sub-contract basis which means that there is complete flexibility and control when apportioning work. The lender/investor approved plan contains a set of realistic operational covenants linked to build performance and no issues have been identified that would restrict access to funding. As already mentioned, the operating model is completely flexible which means that the risk of not meeting a covenant is extremely low.

**Availability of construction labour:** Freedom Fibre has a clear strategy for on boarding the required sub-contract build teams and has developed a robust supplier review process to ensure that capable, relevantly skilled teams are sourced.

Whilst uncertainties exist, and potential risks could materialise, the Directors do not consider these to be material to the long term viability of the Company. As the operating model is completely flexible, they believe they have the ability to take sufficient mitigating actions in a timely manner to offset the potential negative impact from the risk factors. As such, they believe it is appropriate to consider Freedom Fibre as a going concern.

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**FREEDOM FIBRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

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**2. Accounting policies (continued)****2.3 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company 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.

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**FREEDOM FIBRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

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**2. Accounting policies (continued)****2.5 Pensions****Defined contribution pension plan**

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

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

**2.6 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**2.7 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.

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**FREEDOM FIBRE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**


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**2. Accounting policies (continued)****2.7 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

The estimated useful lives range as follows:

Assets under construction	- No charge taken
Plant and equipment	- 3 years
Network assets	- 5 - 20 years

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.

In line with FRS 102 paragraph 24.5, the Company recognises the grants relating to DCMS vouchers as deferred income which is released to income on a straight-line basis over the expected useful life of the asset.

**2.8 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.9 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.

**2.10 Creditors**

Short term creditors are measured at the transaction price.

**2.11 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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



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**FREEDOM FIBRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

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

There are no significant judgements.

**Key sources of estimation uncertainty**

**Share options (estimate)**

Management is required to use an appropriate pricing model to value the issue of equity to employees or those providing similar services. Any charge to the profit and loss account is therefore a function of the chosen pricing model, which is based on a range of assumptions including the starting share price, volatility, and time to expiration.

**Useful economic lives of tangible assets (estimate)**

The annual depreciation charge for plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the plant and equipment and note 2.7 for the useful economic lives for each class of assets.

**Capitalisation of time costs within tangible assets (estimate)**

Distinguishing the time allocated to a new project and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

**4. Auditor's remuneration**

	Period to 30 November 2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	<b>22,505</b>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>	
Fees payable to the Company's auditor for accounts preparation services	<b>1,000</b>

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**FREEDOM FIBRE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**


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**5. Employees**

	Period to 30 November 2021 £
Wages and salaries	949,696
Social security costs	115,983
Cost of defined contribution scheme	13,805
	<u>1,079,484</u>

The average monthly number of employees, including directors, during the period was 26.

**6. Directors' remuneration**

	Period to 30 November 2021 £
Directors' emoluments	448,864
Company contributions to defined contribution pension schemes	6,234
	<u>455,098</u>

During the period retirement benefits were accruing to no directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £161,566.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil.

The value of the Company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £Nil.

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**FREEDOM FIBRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

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**7. Tangible fixed assets**

	Assets under construction £	Plant and equipment £	Network assets £	Total £
<b>Cost or valuation</b>				
Additions	3,092,985	98,607	1,951,531	5,143,123
At 30 November 2021	<u>3,092,985</u>	<u>98,607</u>	<u>1,951,531</u>	<u>5,143,123</u>
<b>Depreciation</b>				
Charge for the period	-	12,537	3,144	15,681
At 30 November 2021	<u>-</u>	<u>12,537</u>	<u>3,144</u>	<u>15,681</u>
<b>Net book value</b>				
At 30 November 2021	<u><u>3,092,985</u></u>	<u><u>86,070</u></u>	<u><u>1,948,387</u></u>	<u><u>5,127,442</u></u>

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**FREEDOM FIBRE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**


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**8. Debtors**

	2021 £
Amounts due from related parties	40,333
Other debtors	87,471
Prepayments and accrued income	20,469
VAT receivable	555,346
	<u>703,619</u>

The Company has an unrecognised deferred tax asset of £444,146 at the balance sheet date, primarily in relation to losses. The Company has not recognised deferred tax on these amounts on the basis that there is currently no absolute certainty as to when they will reverse.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. The deferred tax asset at the balance sheet date has been measured using these enacted tax rates.

**9. Cash and cash equivalents**

	2021 £
Cash at bank and in hand	<u>2,569,905</u>

**10. Creditors: Amounts falling due within one year**

	2021 £
Trade creditors	167,969
Amounts due to related parties	109,126
Other creditors	122,324
Accruals and deferred income	962,765
	<u>1,362,184</u>

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**FREEDOM FIBRE LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**

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**11. Reserves**

**Called up share capital**

Represents the nominal value of shares that have been issued. There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

**Share premium**

Share premium arising from ordinary shares.

**Share based payment reserve**

In June 2021, an EMI share option scheme was created. There are 416,667 options as at 30 November 2021 and no options have been exercised and forfeited. The share options are to be settled in equity with an exercise price of £1. The options are exercisable on the occurrence of a specific corporate event as defined in the options agreement. On this basis, a charge of £54k has been recognised in the year in relation to these options to reflect the fair value of the employment expense in return for the options granted. At the grant date, the options were valued at £0.19 per share. At 30 November 2021, there were no liabilities arising from these share-based payment transactions.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**12. Contingent liabilities**

The directors have confirmed that there are no contingent liabilities at 30 November 2021.

**13. Lease commitments**

At 30 November 2021 the Company had lease commitments as follows:

	<b>2021 £</b>
Within one year	<b>144,616</b>
Later than one year and not later than five years	<b>61,805</b>
	<b><u>206,421</u></b>

**14. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable to the fund and amounted to £21k. Contributions totalling £15k were payable to the fund at the reporting date.

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**FREEDOM FIBRE LIMITED**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 NOVEMBER 2021**


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**15. Related party transactions**

During the period, the Company entered into the following transactions with related parties:

TalkTalk Telecom Group Limited has a 40% shareholding in Freedom Fibre Ltd as of 13th September 2021.

Neil McArthur is a common director and shareholder in North Cheshire Developments Limited which is now trading as NCD Networks Limited.

	<b>Sales Excluding VAT - excluding DCMS vouchers 2021 £</b>	<b>Amounts receivable at end of period including VAT 2021 £</b>	<b>Purchases Excluding VAT 2021 £</b>	<b>Amounts payable at end of period including VAT 2021 £</b>
TalkTalk Telecom Group Limited	3,877	4,653	130,011	82,000
NCD Networks Limited	Nil	35,680	2,598,831	27,126

**16. Post balance sheet events****28th February 2022**

Freedom Fibre received £2m equity injection from existing shareholders

**13th April 2022**

Freedom Fibre secured £16m debt facility with Santander.

**24th May 2022**

Freedom Fibre secured £84m capital commitment with Equitix including £24m equity injection received 24th May 2022.