

COMPANY REGISTRATION NUMBER: 13084559

**County TopCo Limited**

**Financial Statements**

**30 April 2022**

# **County TopCo Limited**

## **Financial Statements**

**Period from 16 December 2020 to 30 April 2022**

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# County TopCo Limited

## Strategic Report

### Period from 16 December 2020 to 30 April 2022

The director presents his strategic report together with the audited financial statements for the year ended 30 April 2022. In preparing this strategic report they have complied with S414C of the Companies Act 2006. Review of the business Principal activities County Topco Limited ("the Group") principal activities are in providing internet connectivity and associated products to both business customers ("B2B") and personal consumers ("B2C"). the Group provides these services under one of its three core brands, Orbital, VFast & VFast Parks. This is the Group's first period of trading following the acquisition of Orbital Internet Group ("the Trading Group") on the 3rd June 2021. Key performance indicators

30/04/2022

Gross Profit %	49
EBITDA %	33
Operating Profit %	3
Loss for the period %	36

Operating profit includes amortisation on goodwill of £1,739,856 during the period, net profit includes interest payable on loan notes to shareholders and directors of £2,527,551 and thus are the principal causes of the group realising a loss during the period of £2,582,447. Principal risks and uncertainties Industry specific risks and uncertainties: Regulatory risk The telecommunications sector is highly regulated, with compliance over key customer-focused regulations monitored by the governing body, Ofcom. Another of the key governing bodies relevant to the Company is the Information Commissioner's Office (ICO). The regulations and laws that the Group must comply with, including Ofcom General Conditions and data legislation, are designed to support customers. The managers of the group are highly experienced in the industry and are consistently keeping abreast of both current and future changes in regulation that may impact the group. Supply chain risk The group requires a steady supply of goods in order to expand its customer base and maintain its network, supply side shortages in key components has caused the risk of stock outs to increase over time. The group manages this by continually sourcing new vendors and routes of supply. Further matters to consider: Inflationary economy The cost of living is seeing its sharpest rise for a generation, the BoE continues to increase the base rate of interest and inflation climbs due largely to the increase in energy costs globally. These factors will see household disposable income fall & business failure is likely to increase. This may exacerbate market risk particularly in the B2C space, the Group mitigates this risk via continual review of its gross profit margins. Financial risks management objectives and policies Credit risk The principal credit risk for the group arises from its trade debtors. In order to manage risk, the group monitors key performance indicators closely and requires some wholesale customers to make a deposit payment at the time of placing their orders to cover at least part of the cost of production. Liquidity risk The group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable operational needs. The group monitors budgets and cash flow forecasts on a regular basis. To date the group does not currently have any credit facilities but has built relationships to be able to put credit lines in place, should they be required. Future developments The group secured investment from Mobeus Equity Partners leading to the acquisition of Orbital Internet Group Ltd and its subsidiaries on the 3rd June 2021. Moving forward the group intends to capitalise on its partnership with Mobeus to gain further market share and expand its customer base nationally. By order of the Board

This report was approved by the board of directors on 13 December 2022 and signed on behalf of the board by:

Mr S Miller

Director

Registered office:

County House Station Approach

Bekesbourne

Canterbury

England

CT4 5DT

# **County TopCo Limited**

## **Directors' Report**

### **Period from 16 December 2020 to 30 April 2022**

The directors present their report and the financial statements of the group for the period ended 30 April 2022 .

#### **Directors**

The directors who served the company during the period were as follows:

Mr G V Blackburn	(Appointed 2 June 2021)
Mr D S Brown	(Appointed 2 June 2021)
Mrs R Brown	(Appointed 2 June 2021)
Mr B A Doherty	(Appointed 2 June 2021)
Mr S Miller	(Appointed 2 June 2021)
Mr M Harriman	(Appointed 21 October 2021)
Mr R A Babington	(Served from 22 March 2021 to 2 June 2021)
Mr M Gordon-Smith	(Served from 22 March 2021 to 2 June 2021)
Mr J J Jones	(Served from 16 December 2020 to 22 March 2021)
Squire Patton Bogg Directors Limited	(Served from 16 December 2020 to 22 March 2021)

## **Dividends**

The directors do not recommend the payment of a dividend.

## **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments 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.

## **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 13 December 2022 and signed on behalf of the board by:

Mr S Miller

Director

Registered office:

County House Station Approach

Bekesbourne

Canterbury

England

CT4 5DT

# **County TopCo Limited**

## **Independent Auditor's Report to the Members of County TopCo Limited**

**Period from 16 December 2020 to 30 April 2022**

### **Opinion**

We have audited the financial statements of County TopCo Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 30 April 2022 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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 FRS 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 group's and of the parent company's affairs as at 30 April 2022 and of the group's loss for the period then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - 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 group 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**

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.

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 group's or the parent 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or - the parent company 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.

## **Responsibilities of directors**

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 group's and the parent 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 group or the parent 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. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered; the nature of the industry, control environment and business performance with particular reference to the Company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets. We also consider the results of our enquiries of management relating to their own identification and assessment of the risks of irregularities and possible related fraud. This includes reviewing available documentation on their policies and procedures and performing tests of controls to evidence their effectiveness. Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. Key areas include timing of recognising income around the year end, posting of unusual journals and manipulating the Company's performance measures to meet remuneration targets and bank covenants. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit. Despite proper planning and audit work in accordance with auditing standards there are inherent limitations and unavoidable risk that we may not detect some irregularities and material misstatements in the financial statements. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 group's or the parent 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. 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.

Matthew Lightfoot

(Senior Statutory Auditor)

For and on behalf of

Burgess Hodgson LLP

Chartered accountants & statutory auditor

Camburgh House

27 New Dover Road

Canterbury

Kent

CT1 3DN

14 December 2022

# County TopCo Limited

## Consolidated Statement of Comprehensive Income

Period from 16 December 2020 to 30 April 2022

		Period from 16 Dec 20 to 30 Apr 22
	Note	£
<b>Turnover</b>	<b>4</b>	7,160,723
Cost of sales		( 3,637,322)
		-----
<b>Gross profit</b>		3,523,401
Administrative expenses		( 3,454,728)
Other operating income	<b>5</b>	143,709
		-----
<b>Operating profit</b>	<b>6</b>	212,382
Other interest receivable and similar income	<b>10</b>	612
Interest payable and similar expenses	<b>11</b>	( 2,528,780)
		-----
<b>Loss before taxation</b>		( 2,315,786)
Tax on loss	<b>12</b>	( 114,177)
		-----
<b>Loss for the financial period and total comprehensive income</b>		( 2,429,963)
		-----

All the activities of the group are from continuing operations.

# County TopCo Limited

## Consolidated Statement of Financial Position

**30 April 2022**

	Note	30 Apr 22 £
<b>Fixed assets</b>		
Intangible assets	13	17,204,488
Tangible assets	14	2,254,214
		-----
		19,458,702
<b>Current assets</b>		
Stocks	16	116,904
Debtors	17	1,862,341
Cash at bank and in hand		2,410,548
		-----
		4,389,793
<b>Creditors: amounts falling due within one year</b>	18	4,108,014
		-----
<b>Net current assets</b>		281,779
		-----
<b>Total assets less current liabilities</b>		19,740,481
<b>Creditors: amounts falling due after more than one year</b>	19	21,678,745
<b>Provisions</b>	21	394,199
		-----
<b>Net liabilities</b>		( 2,332,463)
		-----
<b>Capital and reserves</b>		
Called up share capital	24	975
Share premium account	25	96,525
Profit and loss account	25	( 2,429,963)
		-----
<b>Shareholders deficit</b>		( 2,332,463)
		-----

These financial statements were approved by the board of directors and authorised for issue on 13 December 2022, and are signed on behalf of the board by:

Mr S Miller

Director

Company registration number: 13084559

# County TopCo Limited

## Company Statement of Financial Position

**30 April 2022**

	Note	30 Apr 22 £
<b>Fixed assets</b>		
Investments	15	1
<b>Current assets</b>		
Debtors	17	97,500
<b>Creditors: amounts falling due within one year</b>	18	1
		-----
<b>Net current assets</b>		97,499
		-----
<b>Total assets less current liabilities</b>		97,500
		-----
<b>Capital and reserves</b>		
Called up share capital	24	975
Share premium account	25	96,525
		-----
<b>Shareholders funds</b>		97,500

The profit for the financial period of the parent company was £Nil.

These financial statements were approved by the board of directors and authorised for issue on 13 December 2022

, and are signed on behalf of the board by:

Mr S Miller

Director

Company registration number: 13084559

# County TopCo Limited

## Consolidated Statement of Changes in Equity

Period from 16 December 2020 to 30 April 2022

	Called up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
<b>At 16 December 2020</b>	—	—	—	—
Loss for the period	—	—	( 2,429,963)	( 2,429,963)
<b>Total comprehensive income for the period</b>	—	—	( 2,429,963)	( 2,429,963)
Issue of shares	975	96,525	—	97,500
<b>Total investments by and distributions to owners</b>	975	96,525	—	97,500
<b>At 30 April 2022</b>	975	96,525	( 2,429,963)	(2,332,463)

# County TopCo Limited

## Company Statement of Changes in Equity

Period from 16 December 2020 to 30 April 2022

	Called up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
Profit for the period			—	—
Issue of shares	975	96,525	—	97,500
	----	-----	----	-----
<b>Total investments by and distributions to owners</b>	<b>975</b>	<b>96,525</b>	<b>—</b>	<b>97,500</b>
	----	-----	----	-----
<b>At 30 April 2022</b>	<b>975</b>	<b>96,525</b>	<b>—</b>	<b>97,500</b>
	----	-----	----	-----

# County TopCo Limited

## Consolidated Statement of Cash Flows

Period from 16 December 2020 to 30 April 2022

30 Apr 22

£

### Cash flows from operating activities

Loss for the financial period ( 2,429,963)

#### Adjustments for:

Depreciation of tangible assets 407,695

Amortisation of intangible assets 1,736,921

Government grant income ( 51,406)

Other interest receivable and similar income ( 612)

Interest payable and similar expenses 2,528,780

Gains on disposal of tangible assets ( 66)

Tax on profit 114,177

Accrued expenses 3,670,691

#### Changes in:

Stocks ( 116,904)

Trade and other debtors ( 1,862,341)

Trade and other creditors 603,887

Cash generated from operations 4,600,859

Interest paid ( 2,528,780)

Interest received 612

Tax paid ( 665)

Net cash from operating activities 2,072,026

### Cash flows from investing activities

Purchase of tangible assets ( 2,668,260)

Proceeds from sale of tangible assets 6,417

Purchase of intangible assets ( 18,941,409)

Net cash used in investing activities ( 21,603,252)

### Cash flows from financing activities

Proceeds from issue of ordinary shares 97,500

Proceeds from borrowings 21,608,500

Government grant income 51,406

Increase in hire purchase liabilities 184,368

Net cash from financing activities 21,941,774

Net increase in cash and cash equivalents 2,410,548

Cash and cash equivalents at beginning of period —

Cash and cash equivalents at end of period 2,410,548



# **County TopCo Limited**

## **Notes to the Financial Statements**

### **Period from 16 December 2020 to 30 April 2022**

#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is County House Station Approach, Bekesbourne, Canterbury, CT4 5DT, England.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

##### **Consolidation**

The financial statements consolidate the financial statements of County TopCo Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the period are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

##### **Judgements 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. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax. Turnover for the provision of services is recognised in line with the provision of the service. Fees payable in respect of the service, invoiced at monthly, quarterly or annual intervals are recognised as turnover over the associated service period. Turnover arising from the sale of goods associated with the provision of services are recognised at the date significant risks and rewards of ownership are transferred to the purchaser, typically the date the equipment is delivered and/or installed for the customer.

**Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

**Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business. Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

**Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	-	15 - 20% reducing balance
Motor vehicles	-	25% reducing balance
Equipment	-	20% straight line
FTTP Infrastructure	-	10% straight line

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Investments are measured at fair value with changes in fair value being recognised in profit or loss.

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

## **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

## **Finance leases and hire purchase contracts**

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

## **Government grants**

Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

## **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

## **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses. Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

## **4. Turnover**

Turnover arises from:

	<b>Period from 16 Dec 20 to 30 Apr 22 £</b>
Sale of goods and services	7,160,723

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

## 5. Other operating income

	Period from 16 Dec 20 to 30 Apr 22 £
Government grant income	51,406
Other operating income	92,303
	-----
	143,709
	-----

## 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Period from 16 Dec 20 to 30 Apr 22 £
Amortisation of intangible assets	1,736,921
Depreciation of tangible assets	407,695
Gains on disposal of tangible assets	( 66)
Impairment of trade debtors	18,000
Foreign exchange differences	3,330
	-----

## 7. Auditor's remuneration

	Period from 16 Dec 20 to 30 Apr 22 £
Fees payable for the audit of the financial statements	15,500
	-----
Fees payable to the company's auditor and its associates for other services:	
Taxation compliance services	4,000
Other non-audit services	25,000
	-----
	29,000
	-----

## 8. Staff costs

The average number of persons employed by the group during the period, including the directors, amounted to:

	30 Apr 22 No.
Production staff	51
Management staff	5
	-----
	56
	-----

The aggregate payroll costs incurred during the period, relating to the above, were:

	Period from 16 Dec 20 to 30 Apr 22 £
Wages and salaries	1,576,789
Social security costs	43,860
	-----
	1,620,649



## 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Period from 16 Dec 20 to 30 Apr 22 £
Remuneration	377,507

Remuneration of the highest paid director in respect of qualifying services:

	Period from 16 Dec 20 to 30 Apr 22 £
Aggregate remuneration	110,003

## 10. Other interest receivable and similar income

	Period from 16 Dec 20 to 30 Apr 22 £
Interest on cash and cash equivalents	612

## 11. Interest payable and similar expenses

	Period from 16 Dec 20 to 30 Apr 22 £
Interest on banks loans and overdrafts	1,229
Other interest payable and similar charges	2,527,551
	2,528,780

## 12. Tax on profit

### Major components of tax income

	Period from 16 Dec 20 to 30 Apr 22 £
<b>Current tax:</b>	
Adjustments in respect of prior periods	665
<b>Deferred tax:</b>	
Origination and reversal of timing differences	113,512
<b>Tax on profit</b>	114,177



### Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 19 %.

	Period from 16 Dec 20 to 30 Apr 22 £
Loss on ordinary activities before taxation	( 2,315,786)
Loss on ordinary activities by rate of tax	( 439,999)
Adjustment to tax charge in respect of prior periods	665
Effect of expenses not deductible for tax purposes	12,435
Effect of capital allowances and depreciation	( 166,690)
Disposal of fixed assets	3,429
Amortisation	329,884
Loan interest	329,558
Research and development enhanced expenditure relief	( 68,617)
Deferred tax	113,512
Tax on profit	114,177

### 13. Intangible assets

Group	Goodwill £
<b>Cost</b>	
At 16 December 2020	—
Acquisitions through business combinations	18,941,409
<b>At 30 April 2022</b>	18,941,409
<b>Amortisation</b>	
At 16 December 2020	—
Charge for the period	1,736,921
<b>At 30 April 2022</b>	1,736,921
<b>Carrying amount</b>	
<b>At 30 April 2022</b>	17,204,488

The company has no intangible assets.

#### 14. Tangible assets

Group	Fixtures and fittings £	Motor vehicles £	Equipment £	FTTP Infrastructure £	Total £
<b>Cost</b>					
At 16 December 2020	—	—	—	—	—
Additions	1,098,150	487,092	897,208	185,810	2,668,260
Disposals	—	( 31,145)	—	—	( 31,145)
	-----	-----	-----	-----	-----
<b>At 30 April 2022</b>	<b>1,098,150</b>	<b>455,947</b>	<b>897,208</b>	<b>185,810</b>	<b>2,637,115</b>
	-----	-----	-----	-----	-----
<b>Depreciation</b>					
At 16 December 2020	—	—	—	—	—
Charge for the period	161,222	85,687	151,092	9,694	407,695
Disposals	—	( 24,794)	—	—	( 24,794)
	-----	-----	-----	-----	-----
<b>At 30 April 2022</b>	<b>161,222</b>	<b>60,893</b>	<b>151,092</b>	<b>9,694</b>	<b>382,901</b>
	-----	-----	-----	-----	-----
<b>Carrying amount</b>					
<b>At 30 April 2022</b>	<b>936,928</b>	<b>395,054</b>	<b>746,116</b>	<b>176,116</b>	<b>2,254,214</b>
	-----	-----	-----	-----	-----

The company has no tangible assets.

#### 15. Investments

The group has no investments.

Company	Shares in group undertakings £
<b>Cost</b>	
At 16 December 2020	—
Additions	1
	----
<b>At 30 April 2022</b>	<b>1</b>
	----
<b>Impairment</b>	
<b>At 16 December 2020 and 30 April 2022</b>	<b>—</b>
	----
<b>Carrying amount</b>	
<b>At 30 April 2022</b>	<b>1</b>
	----

#### Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
County MidCo Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
County BidCo Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
Orbital Internet Group Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100

Orbital Net Limited	Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
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VFast Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
Kent Broadband Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
Orbital Infrastructure Assets Ltd	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
Orbital Telecommunications Limited	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100

#### 16. Stocks

	<b>Group</b>	<b>Company</b>
	<b>30 Apr 22</b>	<b>30 Apr 22</b>
	<b>£</b>	<b>£</b>
Hardware and consumables	116,904	—
	-----	----

#### 17. Debtors

	<b>Group</b>	<b>Company</b>
	<b>30 Apr 22</b>	<b>30 Apr 22</b>
	<b>£</b>	<b>£</b>
Trade debtors	1,333,274	—
Amounts owed by group undertakings	—	97,500
Prepayments and accrued income	253,061	—
Corporation tax repayable	154,561	—
Other debtors	121,445	—
	-----	-----
	1,862,341	97,500
	-----	-----

#### 18. Creditors: amounts falling due within one year

	<b>Group</b>	<b>Company</b>
	<b>30 Apr 22</b>	<b>30 Apr 22</b>
	<b>£</b>	<b>£</b>
Trade creditors	167,208	—
Amounts owed to group undertakings	—	1
Accruals and deferred income	3,670,691	—
Social security and other taxes	145,261	—
Obligations under finance leases and hire purchase contracts	114,123	—
Other creditors	10,731	—
	-----	----
	4,108,014	1
	-----	----

#### 19. Creditors: amounts falling due after more than one year

	<b>Group</b>	<b>Company</b>
	<b>30 Apr 22</b>	<b>30 Apr 22</b>
	<b>£</b>	<b>£</b>
Loan notes	21,608,500	—
Obligations under finance leases and hire purchase contracts	70,245	—
	-----	----
	21,678,745	—
	-----	----

## 20. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	<b>Group</b>	<b>Company</b>
	<b>30 Apr 22</b>	<b>30 Apr 22</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	114,123	—
Later than 1 year and not later than 5 years	70,245	—
	-----	----
	184,368	—
	-----	----

## 21. Provisions

<b>Group</b>	<b>Deferred tax (note 22) £</b>
At 16 December 2020	—
Additions	394,199
	-----
<b>At 30 April 2022</b>	<b>394,199</b>
	-----

The company does not have any provisions.

## 22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	<b>Group</b>	<b>Company</b>
	<b>30 Apr 22</b>	<b>30 Apr 22</b>
	<b>£</b>	<b>£</b>
Included in provisions (note 21)	394,199	—
	-----	----

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>Group</b>	<b>Company</b>
	<b>30 Apr 22</b>	<b>30 Apr 22</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	394,199	—
	-----	----

## 23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	<b>Group</b>	<b>Company</b>
	<b>30 Apr 22</b>	<b>30 Apr 22</b>
	<b>£</b>	<b>£</b>
Recognised in other operating income:		
Government grants recognised directly in income	51,406	—
	-----	----

**24. Called up share capital****Issued, called up and fully paid**

<b>30 Apr 22</b>		
	<b>No.</b>	<b>£</b>
A Ordinary shares of £ 0.01 each	48,505	485
B Ordinary shares of £ 0.01 each	43,995	440
C Ordinary shares of £ 0.01 each	5,000	50
	-----	----
	97,500	975
	-----	----

**Shares issued and fully paid**

<b>30 Apr 22</b>		
	<b>No.</b>	<b>£</b>
A Ordinary shares of £ 0.01 each	48,505	485
B Ordinary shares of £ 0.01 each	43,995	440
C Ordinary shares of £ 0.01 each	5,000	50
	-----	----
	97,500	975
	-----	----

**Shares issued and partly paid**

<b>30 Apr 22</b>		
	<b>No.</b>	<b>£</b>

## 25. Reserves

Called up share capital - This reserve records the nominal value of the shares in issue. Share premium account -

This reserve records the amount above the nominal value received for shares in issue. Profit and loss account -

This reserve records retained earnings and accumulated losses.

## 26. Analysis of changes in net debt

	At 16 Dec 2020	Cash flows	At 30 Apr 2022
	£	£	£
Cash at bank and in hand	–	2,410,548	2,410,548
Debt due within one year	–	(114,123)	(114,123)
Debt due after one year	–	(21,678,745)	(21,678,745)
	–	( 19,382,320)	( 19,382,320)

## 27. Related party transactions

### Group

At the period end there are balances due in relation to loan notes issued to shareholders of £11,201,495 and to the directors of £10,407,005. Interest of £2,520,924 has been accrued on these balances and £1,158,659 remains unpaid at the period end. There are no key management personnel aside from the directors. The directors remuneration has been disclosed in note 9 of the financial statements.

## 28. Controlling party

There is no ultimate controlling party of the group.

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