COMPANY REGISTRATION NUMBER: 13084559

County TopCo Limited

Financial Statements

30 April 2023

County TopCo Limited

Financial Statements

Year ended 30 April 2023

Contents

County TopCo Limited

Strategic Report

Year ended 30 April 2023

The director presents his strategic report together with the audited financial statements for the year ended 30 April 2023. 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. Key performance indicators

	30/04/2023
Gross Profit %	50
EBITDA %	25
Operating Profit %	5
Loss for the period %	43

Operating profit includes amortisation on goodwill of £1,921,942 during the period, net profit includes interest payable on loan notes to shareholders and directors of £2,978,878 and thus are the principal causes of the group realising a loss during the period of £3,703,791. Going concern The financial statements have been prepared on a going concern basis, this is on the current understanding that interest due on loan notes will continue to be accrued or settled via payment in kind notes until the loan notes become due in 2026. 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 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 it's customer base and maintain it's 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 it's 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 it's 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 groups' founder Darren Brown decided the time was right to step back from his role as Chief Executive Officer in March 2023. As part of the agreed transition plan, Chief Technology Officer Ben Doherty has now moved into position as the new CEO. The group has invested significantly in new staff to allow for future growth in two key sales verticals, the first being the expansion of the B2B division & secondly the Parks division. The board has deployed a new long term sales strategy to gain market share across these two sectors that represent important drivers of growth for the group. The group also continues to invest in new infrastructure by expanding our FTTP network to new locations. Focusing primarily on business properties, the group will deploy full fibre to over 8 new business parks over the coming period. Equally, as we add to our customer base in the Parks division we will further expand both fixed wireless and full fibre infrastructure across holiday parks. Along with investment in people & infrastructure comes the groups' investment in systems, acknowledging the expected future growth we have set out on a digital transformation of our customer relationship management and enterprise resource planning systems.

This report was approved by the board of directors on 21 June 2023 and signed on behalf of the board by:

Mr C J Dickinson

Director

Registered office:

County House Station Approach

Bekesbourne

Canterbury

England

CT4 5DT

County TopCo Limited

Directors' Report

Year ended 30 April 2023

The directors present their report and the financial statements of the group for the year ended 30 April 2023 .

Directors

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

Mr G V Blackburn	
Mr D S Brown	
Mrs R Brown	
Mr B A Doherty	
Mr S Miller	
Mr M Harriman	
Mr C J Dickinson	(Appointed 26 July 2022)

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 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). 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 21 June 2023 and signed on behalf of the board by:

Mr C J Dickinson

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

Year ended 30 April 2023

Opinion

We have audited the financial statements of County TopCo Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2023 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 2023 and of the group's loss for the year 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 year 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

28 June 2023

County TopCo Limited

Consolidated Statement of Comprehensive Income

Year ended 30 April 2023

	Note	Year to 30 Apr 23 £	Period from 16 Dec 20 to 30 Apr 22 £
Turnover	**4**	8,566,739	7,160,723
Cost of sales		(4,265,259)	(3,637,322)
Gross profit		4,301,480	3,523,401
Administrative expenses		(4,786,871)	(3,454,728)
Other operating income	**5**	29,209	143,709
Operating (loss)/profit	**6**	(456,182)	212,382
Other interest receivable and similar income	**10**	6,208	612
Interest payable and similar expenses	**11**	(2,978,878)	(2,528,780)
Loss before taxation		(3,428,852)	(2,315,786)
Tax on loss	**12**	(274,939)	(114,177)
Loss for the financial year and total comprehensive income		(3,703,791)	(2,429,963)

All the activities of the group are from continuing operations.

County TopCo Limited

Consolidated Statement of Financial Position

30 April 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	**13**	15,895,510	17,204,488
Tangible assets	**14**	3,159,535	2,254,214
		19,055,045	19,458,702
Current assets			
Stocks	**16**	277,705	116,904
Debtors	**17**	1,774,188	1,862,341
Cash at bank and in hand		3,109,064	2,410,548
		5,160,957	4,389,793
Creditors: amounts falling due within one year	**18**	5,120,210	4,108,014
Net current assets		40,747	281,779
Total assets less current liabilities		19,095,792	19,740,481
Creditors: amounts falling due after more than one year	**19**	24,449,449	21,678,745
Provisions	**21**	681,597	394,199
Net liabilities		(6,035,254)	(2,332,463)
Capital and reserves			
Called up share capital	**25**	985	975
Share premium account	**26**	97,515	96,525
Profit and loss account	**26**	(6,133,754)	(2,429,963)
Shareholders deficit		(6,035,254)	(2,332,463)

These financial statements were approved by the board of directors and authorised for issue on 21 June 2023 , and are signed on behalf of the board by:

Mr C J Dickinson

Director

Company registration number: 13084559

County TopCo Limited

Company Statement of Financial Position

30 April 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	**15**	1	1
Current assets			
Debtors	**17**	98,500	97,500
Creditors: amounts falling due within one year	**18**	1	1
Net current assets		98,499	97,499
Total assets less current liabilities		98,500	97,500
Capital and reserves			
Called up share capital	**25**	985	975
Share premium account	**26**	97,515	96,525
Shareholders funds		98,500	97,500

The profit for the financial year of the parent company was £Nil (2022: £Nil).

These financial statements were approved by the board of directors and authorised for issue on 21 June 2023 , and are signed on behalf of the board by:

Mr C J Dickinson

Director

Company registration number: 13084559

County TopCo Limited

Consolidated Statement of Changes in Equity

Year ended 30 April 2023

	Called up share capital	Share premium account	Profit and loss account	**Total**
	£	£	£	**£**
At 16 December 2020	–	–	–	–
Loss for the year			(2,429,963)	(2,429,963)
Total comprehensive income for the year	–	–	(2,429,963)	(2,429,963)
Issue of shares	975	96,525	–	97,500
Total investments by and distributions to owners	975	96,525	–	97,500
At 30 April 2022	975	96,525	(2,429,963)	(2,332,463)
Loss for the year			(3,703,791)	(3,703,791)
Total comprehensive income for the year	–	–	(3,703,791)	(3,703,791)
Issue of shares	10	990	–	1,000
Total investments by and distributions to owners	10	990	–	1,000
At 30 April 2023	985	97,515	(6,133,754)	(6,035,254)

County TopCo Limited

Company Statement of Changes in Equity

Year ended 30 April 2023

	Called up share capital	Share premium account	Profit and loss account	**Total**
	£	£	£	**£**
At 16 December 2020	–	–	–	–
Profit for the year			–	–
Issue of shares	975	96,525	–	97,500
Total investments by and distributions to owners	975	96,525	–	97,500
At 30 April 2022	975	96,525	–	97,500
Profit for the year			–	–
Issue of shares	10	990	–	1,000
Total investments by and distributions to owners	10	990	–	1,000
At 30 April 2023	985	97,515	–	98,500

County TopCo Limited

Consolidated Statement of Cash Flows

Year ended 30 April 2023

	2023	2022
	£	£
Cash flows from operating activities		
Loss for the financial year	(3,703,791)	(2,429,963)
Adjustments for:		
Depreciation of tangible assets	649,979	407,695
Amortisation of intangible assets	1,921,942	1,736,921
Government grant income	(29,209)	(51,406)
Other interest receivable and similar income	(6,208)	(612)
Interest payable and similar expenses	2,978,878	2,528,780
Gains on disposal of tangible assets	(10,413)	(66)
Tax on profit	274,939	114,177
Accrued expenses	428,132	3,670,691
Changes in:		
Stocks	(160,801)	(116,904)
Trade and other debtors	100,612	(1,862,341)
Trade and other creditors	630,139	603,887
Cash generated from operations	3,074,199	4,600,859
Interest paid	(2,978,878)	(2,528,780)
Interest received	6,208	612
Tax paid	–	(665)
Net cash from operating activities	101,529	2,072,026
Cash flows from investing activities		
Purchase of tangible assets	(1,800,052)	(2,668,260)
Proceeds from sale of tangible assets	255,165	6,417
Purchase of intangible assets	(612,964)	(18,941,409)
Net cash used in investing activities	(2,157,851)	(21,603,252)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	1,000	97,500
Proceeds from borrowings	2,760,230	21,608,500
Government grant income	29,209	51,406
Increase in hire purchase liabilities	(35,601)	184,368
Net cash from financing activities	2,754,838	21,941,774
Net increase in cash and cash equivalents	698,516	2,410,548
Cash and cash equivalents at beginning of year	2,410,548	–
Cash and cash equivalents at end of year	3,109,064	2,410,548

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 year 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.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

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
IP addresses	-	10% straight line
Other intangibles	-	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.

Research and development

Research expenditure is written off in the period in which it is incurred. Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met: - It is technically feasible to complete the intangible asset so that it will be available for use or sale; - There is the intention to complete the intangible asset and use or sell it; - There is the ability to use or sell the intangible asset; - The use or sale of the intangible asset will generate probable future economic benefits; - There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and - The expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure that does not meet the above criteria is expensed as incurred.

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:

Long leasehold property	-	4% straight line
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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Sale of goods and services	8,566,739	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

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Government grant income	29,209	51,406
Other operating income	–	92,303
	29,209	143,709

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Amortisation of intangible assets	1,921,942	1,736,921
Depreciation of tangible assets	649,979	407,695
Gains on disposal of tangible assets	(10,413)	(66)
Impairment of trade debtors	35,346	18,000
Foreign exchange differences	14	3,330

7. Auditor's remuneration

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Fees payable for the audit of the financial statements	18,800	15,500

Fees payable to the company's auditor and its associates for other services:

Taxation compliance services	4,250	4,000
Other non-audit services	24,819	20,914
	29,069	24,914

8. Staff costs

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

	2023	2022
	No.	No.
Production staff	54	51
Management staff	6	5
	60	56

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

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Wages and salaries	2,326,346	1,576,789
Social security costs	64,754	43,860
Other pension costs	1,722	–
	2,392,822	1,620,649

9. Directors' remuneration

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

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Remuneration	507,171	377,507
Company contributions to defined contribution pension plans	1,722	–
	508,893	377,507

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

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Aggregate remuneration	120,003	110,003

10. Other interest receivable and similar income

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Interest on cash and cash equivalents	6,208	612

11. Interest payable and similar expenses

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Interest on banks loans and overdrafts	1,697	1,229
Other interest payable and similar charges	2,977,181	2,527,551
	2,978,878	2,528,780

12. Tax on profit

Major components of tax income

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Current tax:		
Adjustments in respect of prior periods	–	665
Deferred tax:		
Origination and reversal of timing differences	274,939	113,512
Tax on profit	274,939	114,177

Reconciliation of tax expense

The tax assessed on the loss on ordinary activities for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19 % (2022: 19 %).

	Year to 30 Apr 23	Period from 16 Dec 20 to 30 Apr 22
	£	£
Loss on ordinary activities before taxation	(3,428,852)	(2,315,786)
Loss on ordinary activities by rate of tax	(651,482)	(439,999)
Adjustment to tax charge in respect of prior periods	–	665
Effect of expenses not deductible for tax purposes	2,766	12,435
Effect of capital allowances and depreciation	(140,932)	(166,690)
Unused tax losses	124,730	–
Disposal of fixed assets	(1,978)	3,429
Amortisation	365,169	329,884
Loan interest	301,727	329,558
Research and development enhanced expenditure relief	–	(68,617)
Deferred tax	274,939	113,512
Tax on profit	274,939	114,177

13. Intangible assets

Group	Goodwill	Development costs	IP Addresses	Other Intangibles	**Total**
	£	£	£	£	**£**
Cost					
At 1 May 2022	18,941,409	–	–	–	18,941,409
Additions	–	71,453	140,000	1,511	212,964
Acquisitions through business combinations	400,000	–	–	–	400,000
At 30 April 2023	19,341,409	71,453	140,000	1,511	19,554,373
Amortisation					
At 1 May 2022	1,736,921	–	–	–	1,736,921
Charge for the year	1,913,679	–	8,250	13	1,921,942
At 30 April 2023	3,650,600	–	8,250	13	3,658,863
Carrying amount					
At 30 April 2023	15,690,809	71,453	131,750	1,498	15,895,510
At 30 April 2022	17,204,488	–	–	–	17,204,488

The company has no intangible assets.

14. Tangible assets

Group	Long leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	FTTP Infrastructure	**Total**
	£	£	£	£	£	**£**
Cost						
At 1 May 2022	–	–	1,995,358	455,947	185,810	2,637,115
Additions	2,895	57,131	823,446	532,514	384,066	1,800,052
Disposals	–	–	–	(35,000)	(250,873)	(285,873)
At 30 Apr 2023	2,895	57,131	2,818,804	953,461	319,003	4,151,294
Depreciation						
At 1 May 2022	–	–	312,314	60,893	9,694	382,901
Charge for the year	46	6,996	456,121	160,888	25,928	649,979
Disposals	–	–	–	(21,464)	(19,657)	(41,121)
At 30 Apr 2023	46	6,996	768,435	200,317	15,965	991,759
Carrying amount						
At 30 Apr 2023	2,849	50,135	2,050,369	753,144	303,038	3,159,535
At 30 Apr 2022	–	–	1,683,044	395,054	176,116	2,254,214

The company has no tangible assets.

15. Investments

The group has no investments.

Company		Shares in group undertakings
		£
Cost		
At 1 May 2022 and 30 April 2023		1
Impairment		
At 1 May 2022 and 30 April 2023		–
Carrying amount		
At 1 May 2022 and 30 April 2023	1	
At 30 April 2022	1	

Subsidiaries, associates and other investments

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

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
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	County House, Station Approach, Bekesbourne, Canterbury, Kent, CT4 5DT	Ordinary	100
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

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Hardware and consumables	277,705	116,904	–	–

17. Debtors

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade debtors	928,066	1,333,274	–	–
Amounts owed by group undertakings	–	–	98,500	97,500
Deferred tax asset	12,459	–	–	–
Prepayments and accrued income	385,907	253,061	–	–
Corporation tax repayable	331,153	154,561	–	–
Other debtors	116,603	121,445	–	–
	1,774,188	1,862,341	98,500	97,500

18. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Trade creditors	650,904	167,208	–	–
Amounts owed to group undertakings	–	–	1	1
Accruals and deferred income	4,098,823	3,670,691	–	–
Social security and other taxes	289,487	145,261	–	–
Obligations under finance leases and hire purchase contracts	68,048	114,123	–	–
Other creditors	12,948	10,731	–	–
	5,120,210	4,108,014	1	1

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

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Loan notes	24,368,730	21,608,500	–	–
Obligations under finance leases and hire purchase contracts	80,719	70,245	–	–
	24,449,449	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:

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Not later than 1 year	68,048	114,123	–	–
Later than 1 year and not later than 5 years	80,719	70,245	–	–
	148,767	184,368	–	–

21. Provisions

Group	**Deferred tax (note 22)**
	£
At 1 May 2022	394,199

Additions	287,398
At 30 April 2023	681,597

The company does not have any provisions.

22. Deferred tax

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

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Included in debtors (note 17)	12,459	–	–	–
Included in provisions (note 21)	(681,597)	(394,199)	–	–
	(669,138)	(394,199)	–	–

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

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Accelerated capital allowances	681,597	394,199	–	–
Unused tax losses	(12,459)	–	–	–
	669,138	394,199	–	–

Due to the change in the UK corporation tax rate from April 2023 the deferred tax provision has been recalculated at the new rate of corporation of 25%, resulting in an increased deferred tax charge in the year.

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 1,722 (2022: £Nil).

24. Government grants

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

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Recognised in other operating income:				
Government grants recognised directly in income	29,209	51,406	–	–

25. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	**£**	No.	£
A Ordinary shares of £ 0.01 each	48,505	485	48,505	485
B Ordinary shares of £ 0.01 each	43,995	440	43,995	440
C Ordinary shares of £ 0.01 each	6,000	60	5,000	50
	98,500	985	97,500	975

Shares issued and fully paid

	2023		2022	
	No.	**£**	No.	£
A Ordinary shares of £ 0.01 each	48,505	485	48,505	485
B Ordinary shares of £ 0.01 each	43,995	440	43,995	440
C Ordinary shares of £ 0.01 each	6,000	60	5,000	50
	98,500	985	97,500	975

Shares issued and partly paid

	2023		2022	
	No.	**£**	No.	£

26. 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.

27. Analysis of changes in net debt

	At 1 May 2022	Cash flows	**At 30 Apr 2023**
	£	£	**£**
Cash at bank and in hand	2,410,548	698,516	3,109,064
Debt due within one year	(114,123)	46,075	(68,048)
Debt due after one year	(21,678,745)	(2,770,704)	(24,449,449)
	(19,382,320)	(2,026,113)	(21,408,433)

28. Related party transactions

Group

At the period end there are balances due in relation to loan notes issued to shareholders of £13,961,727 (2022: £11,201,495) and to the directors of £10,407,005 (2022: £10,407,005). Interest of £2,966,343 (2022: £2,520,924) has been charged on these balances. At the period end the total interest that remains unpaid is £2,727,035 (2022: £1,158,659). There are no key management personnel aside from the directors. The directors remuneration has been disclosed in note 9 of the financial statements.

29. Controlling party

There is no ultimate controlling party of the group.