

COMPANY NUMBER: 13355887

AXIONE UK INFRASTRUCTURE LIMITED
ANNUAL REPORT FOR THE PERIOD ENDED
31 DECEMBER 2021



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COMPANY INFORMATION

Directors

D Astier
A Biardeau
A Ghurbhum
S Ledoux
E Nammar
L Salvy

Registered office

Becket House
1 Lambeth Palace Road
London
SE1 7EU

Bankers

National Westminster Bank plc
PO Box 6118
Eastwood House
Glebe Road
Chelmsford
CM1 1QW

Auditor

Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

STRATEGIC REPORT

The directors present their Strategic Report for Axione UK Infrastructure Limited ("the Company") for the period ended 31 December 2021.

Principal activities

The Company acts as an investment holding company for its subsidiary, Axione Fibre Limited. The principal activity of Axione Fibre Limited will be the provision of fibre to the premises (FTTP) broadband solutions in the communications market. This entity is currently in construction phase and not yet trading.

Review and analysis of the business during the current year

The Company was incorporated in England and Wales on 26 April 2021. The results of the Company are set out in the attached financial statements.

Key performance indicators (KPIs)

Financial performance

The Company models the anticipated financial outcome, and the Company monitors actual financial performance against this anticipated performance. As at 31 December 2021, the Company's performance against this measure was in line with expectations.

Development and financial performance during the year

As reported in the Company's statement of total comprehensive income, profit was £294,000 in 2021. Profit was in line with budgeted expectations.

The profit after taxation was £238,000. The directors consider the result for the period satisfactory.

Financial position at reporting date

The statement of financial position shows that the carrying value of the Company's net assets at the year-end was £13,038,000.

Post balance sheet events

The directors have carried out an assessment of the potential impact on the business, of the Russian Forces entering Ukraine, including the impact of mitigation measures, sanctions and uncertainties and concluded that there is not expected to be any direct impact on the Company. The Company anticipates that the economic sanctions imposed on Russia will have an overall impact on the world economy and therefore, indirectly on the activity of the Company, although it is not possible to quantify the impact.

The directors are not aware of any other significant post balance sheet events that could affect the future performance of the company.

Future prospects

The subsidiary, Axione Fibre Limited, is actively pursuing opportunities in the UK market and has not yet generated any revenue as it is currently in construction phase.

Brexit impact

The directors have assessed the impact of Brexit and believe that, although significant uncertainty exists, there will be no material effect on the trade and operations of the Company.

STRATEGIC REPORT (continued)

Principal risks and uncertainties

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due.

Financial risk management


The directors have considered the risks attached to the Company's financial instruments which principally comprise operating receivables, operating payables and from time to time, loans from other group companies. The directors have taken a prudent approach in their consideration of the various risks attached to the financial instruments of the Company.

The director's policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so. The Company had no hedged transactions during the year.

Approval

This report was approved by the board on 15/06/2022 and signed on its behalf by:

D Astier
Director



DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period ended 31 December 2021.

Matters covered in the Strategic Report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report on page 2. These matters relate to the review and analysis of the business, development and financial performance, future prospects, and principal risks and uncertainties.

Going concern

The Company's business activities, together with the factors likely to affect its future development and its financial position are set out in the Strategic Report.

The financial statements have been prepared on a going concern basis.

The directors have considered the impact the Covid-19 pandemic may have on the Company and have considered the funding requirements of the business over the next 12 months. The Company is forecasted to begin to generate revenue during this period and any further funding requirements will be made in the form of an increase to the shareholder loan. The Company has carried out a review of the critical supply chain to ensure their ability to deliver in line with their contractual requirements and has business continuity plans in place should any issues arise. Further information of the directors' assessment including the consideration of the impact of Covid-19 is contained within note 2.1. It is therefore appropriate to prepare these financial statements on the going concern basis.

Dividends

A dividend of £nil has been paid in 2021. The directors do not propose to pay a final dividend in respect of 2021.

Directors

The directors who served throughout the year and up to the date of this report except as noted, were as follows:

D Astier (appointed 26 April 2021)
A Biardeau (appointed 21 July 2021)
A Ghurbhurn (appointed 21 July 2021)
S Ledoux (appointed 21 July 2021)
E Nammar (appointed 21 July 2021)
L Salvy (appointed 21 July 2021)

Political contributions

During the period the Company made no political donations.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. 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 company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK adopted international accounting standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;

DIRECTORS' REPORT (continued)

Directors' responsibilities statement (continued)

- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Statement of disclosure of information to Auditor

Each of the directors at the date of approval of this report confirms that:

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

Auditor

The auditor, Mazars LLP, was appointed during the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the board of directors and signed on behalf of the board.

D Astier
Director
15/6/2022



AXIONE UK INFRASTRUCTURE LIMITED

Report and Financial Statements
31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIONE UK INFRASTRUCTURE LIMITED

Opinion

We have audited the financial statements of Axione UK Infrastructure Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 the 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIONE UK INFRASTRUCTURE LIMITED
(continued)**

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 to 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Companies Act 2006.

AXIONE UK INFRASTRUCTURE LIMITED

Report and Financial Statements
31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIONE UK INFRASTRUCTURE LIMITED
(continued)

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

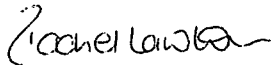
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

- A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit 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.



Rachel Lawton (Senior Statutory Auditor) for and on behalf of Mazars LLP,
Chartered Accountants and Statutory Auditor.
30 Old Bailey
London
EC4M 7AU
Date: 16 June 2022

**STATEMENT OF TOTAL COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Note	26 April to 31 December 2021 £'000
Interest receivable and similar income	6	294
Profit before tax		294
Income tax	7	(56)
Total profit for the period		<u>238</u>

The notes on pages 13 to 21 form an integral part of these financial statements.

There are no recognised gains or losses for the current period, other than those shown in the statement of total comprehensive income and therefore no separate statement of other comprehensive income has been presented.

All the Company's activities were derived from continuing operations in the current period.

AXIONE UK INFRASTRUCTURE LIMITED

Report and Financial Statements
31 December 2021

**STATEMENT OF TOTAL FINANCIAL POSITION
AT 31 DECEMBER 2021**

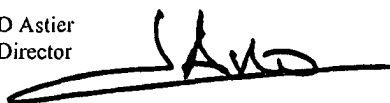
	<i>Note</i>	2021 £000
Non-current assets		
Investments	8	-
Current assets		
Loans to group companies	9	10,000
Cash and cash equivalents		3,094
		13,094
Creditors: amounts falling due within one	10	(56)
Net current assets		13,038
Net assets		13,038
Capital and reserves		
Called up share capital	11	12,800
Retained earnings		238
Equity shareholders' funds		13,038

The notes on pages 13 to 21 form an integral part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 15.06/2022.

Signed on behalf of the board of directors

D Astier
Director



AXIONE UK INFRASTRUCTURE LIMITEDReport and Financial Statements
31 December 2021**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Share Capital	Retained earnings	Total
	£'000	£'000	£'000
On incorporation 26 April 2021	-	-	-
Equity share investment	12,800		12,800
Profit for the period	-	238	238
Total comprehensive loss for the period	12,800	238	13,038
At 31 December 2021	12,800	238	13,038

The notes on pages 13 to 21 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	26 April to 31 December 2021
<i>Note</i>	£000
Cash flows from operating activities	-
Cash flows from financing activities	
Issue of ordinary shares	12,800
Loans advanced to group undertakings	(10,000)
Interest received on loans and borrowings	294
	<hr/>
Net cash inflow from financing activities	3,094
	<hr/>
Net increase in cash and cash equivalents	3,094
Cash and cash equivalents at 26 April	-
	<hr/>
Cash and cash equivalents at 31 December	3,094
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The notes on pages 13 to 21 form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

1. Basis of preparation

These financial statements have been prepared in compliance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements are presented in Sterling, which is the functional and presentation currency of the Company and all values are rounded to the nearest thousand (£) except when otherwise indicated.

The preparation of financial statements in conformity with UK adopted international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods. In the opinion of the directors there are no significant judgements or accounting estimates applied in these financial statements.

The financial statements have been prepared on a historical cost basis.

The principal accounting policies adopted by the Company are set out below.

2. Accounting policies

2.1 Going concern

The financial statements have been prepared on a going concern basis, which assumes the Company will be able to meet its liabilities as and when they fall due. The directors have considered the impact the Covid-19 pandemic may have on the Company and have considered the funding requirements of the business over the next 12 months. The subsidiary company is forecasted to begin to generate revenue during this period and any further funding requirements will be made in the form of an increase to the shareholder loan, in line with the terms of the subscription and shareholders agreement. The Directors therefore consider it appropriate to prepare the accounts on a going concern basis.

2.2 Basis of preparation and consolidation

The accounting policies which follow set out those policies which were applied in preparing the financial statements for the period ended 31 December 2021.

a) Standards, amendments and interpretations adopted in the current financial period ended 31 December 2021
UK effective date –
periods beginning on or
after

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment): Definition of Material	1 January 2021
IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures (Amendments): Interest Rate Benchmark Reform – Phase 1	1 January 2021
Conceptual Framework (Amendment): Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2021
IFRS 3 Business Combinations (Amendment): Definition of a Business	1 January 2021
IFRS 16 Leases (Amendment): Covid-19-related Rent Concessions	1 June 2021
IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2021
IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases (Amendments): Interest Rate Benchmark Reform – Phase 2	1 January 2021

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.2 Basis of preparation and consolidation (continued)

b) Standards, amendments and interpretations in issue but not yet effective

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

The Company is however continuing to assess the full impact that adopting IFRS 9, IFRS 7 and IFRS 3 will have on future financial statements, and therefore the full effect is yet to be determined.

	<i>UK effective date – periods beginning on or after</i>
IAS 16 Property, Plant and Equipment (Amendment): Proceeds before Intended Use	1 January 2022
IAS 37 Provisions, Contingent Liabilities and Contingent Assets: (Amendment): Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
IFRS 3 Business Combinations (Amendment): Reference to the Conceptual Framework	1 January 2022
Annual Improvements to IFRSs (2018 – 2020 cycle)	1 January 2022
IAS 1 Presentation of Financial Statements (Amendment): Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date	1 January 2023

2.3 Classification of financial instruments issued by the Company

In accordance with IFRS 9, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

2.4 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months of the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months of the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.4 Current versus non-current classification (continued)

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Judgements and key sources of estimation uncertainty

Preparing financial statements in conformity with IFRS requires the use of estimates and assumptions which may have affected the amounts reported for assets and liabilities at the end of the reporting period, and the amounts of income and expenses reported for the financial period. Those estimates and assumptions are applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

2.6 Assets

a) Non-current assets

Property plant and equipment

Tangible fixed assets are shown at historical cost less accumulated depreciation and accumulated impairment loss, if any. The cost of all tangible fixed assets include all costs necessary to bring the asset to working condition for its intended use.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Property, plant and equipment	3 – 25 years
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The carrying value of tangible fixed assets is reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable.

b) Current assets

Trade and other receivables

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with maturities of three months or less. All cash balances are held in the United Kingdom.

Because of the short term nature of these items, the carrying amounts shown in the financial statements are a reasonable estimate of market value.

2.7 Financial liabilities

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit and loss or as measured at amortised value. Classification of financial liabilities depends on the purpose for which the financial liabilities arose.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.7 Financial liabilities (continued)

a) Non-current liabilities

Non-current creditors

Non-current creditors are measured at fair value on initial recognition, and subsequently at amortised cost. Gains or losses are recognised in the profit and loss when liabilities are derecognised as well as through the amortisation process.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Provisions for liabilities

A provision is recorded where the Company has a present obligation to a third party at the end of the reporting period resulting from a past event, the settlement of which is expected to result in a probable outflow from the Company of resources embodying economic benefits that can be measured reliably. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

b) Current liabilities

Trade and other payables

Because of the short term nature of these liabilities, the carrying amounts shown in the financial statements are a reasonable estimate of market value.

2.8 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and other debtors, the Company applies an approach similar to the simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

2.9 Interest

Interest receivable and interest payable

Interest payable and similar expenses include interest payable on borrowings and associated ongoing financing fees. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset and, therefore, are capitalised. Other borrowing costs are recognised as an expense using the effective interest method.

Other interest receivable and similar income include interest receivable on loans to group companies and interest receivable on funds invested. Interest income is recognised in profit or loss as it accrues.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.11 Taxation

The tax expense represents the sum of the current tax and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from the net profits as reported on the statement of total comprehensive income because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised in future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the asset or liability is expected to be settled or at least realised. Deferred tax is charged or credited in the statement of total comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

2.12 Foreign currency translation

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the statement of profit and loss.

3 Financial instruments – risk management

The Company is exposed through its operations to the following risks:

- Interest rate risk
- Foreign exchange risk
- Liquidity risk

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents
- Fixed rate loans

General objectives, policies and procedures

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Company Finance Manager through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Interest rate risk

The Company manages its exposure to interest rate risk by lending at fixed rates of interest wherever possible. All loans receivable outstanding as at 31 December 2021 are subject to fixed rates of interest.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

3. Financial instruments – risk management (continued)

Foreign exchange risk

In general, the Company has little exposure to currency risk in routine commercial transactions. Where possible, expenses relating to a contract are incurred in GBP sterling.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Company also seeks to reduce liquidity risk by fixing interest rates on its long-term borrowings and short-term receivables. This is discussed further in the 'interest rate risk' section above.

The Board receives rolling 12-month cash flow projections on a quarterly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The table below summarises the maturity profile of the Company's financial liabilities as of 31 December 2021 based on contractual undiscounted payments. The difference between the market value and the carrying value of financial liabilities is not considered to be material.

	2021 Financial liabilities falling due:					
	Within less than one month £000	Between one and three months £000	Between three and 12 months £000	Between one and two years £000	Between two and five years £000	After more than five years £000
Corporation tax liability	-	56	-	-	-	-
	-	56	-	-	-	-

Capital disclosures

The Company monitors "adjusted capital" which comprises all components of equity. The Company's objectives when maintaining capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for members and benefits for other stakeholders; and
- to provide an adequate return to members by pricing products and services commensurately with the level of risk.

3. Financial instruments – risk management (continued)

The Company sets the amount of capital it requires in proportion to risk. The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amounts distributed to members, return capital to members, request additional capital contributions from members, or sell assets to reduce debt.

4. Staff costs

The Company had no employees during the period. The directors did not receive any remuneration for their services to the Company for the period.

AXIONE UK INFRASTRUCTURE LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021****5. Auditor's remuneration**

The audit fee is borne and paid for by the Company's subsidiary, Axione Fibre Limited. The directors estimate that the fee attributable to the audit of the Company's financial statements is £5,000.

6. Interest receivable and similar income

26 April to
31 December
2021
£'000

Interest from group undertakings

294

294

7. Taxation**Factors affecting tax charge for the current year**

The tax assessed for the period is equal to the standard rate of corporation tax in the UK: 19%.

26 April to
31 December
2021
£'000

Reconciliation of effective tax rate

Profit before tax

294

Tax at the applicable tax rate of 19%

56

Total income tax cost

56

Factors that may affect future tax charges

The March 2021 Budget announced that a corporation tax rate of 25% would apply with effect from 1 April 2023 and this change was substantively enacted on 24 May 2021.

8. Investments

Subsidiary
undertakings

£000

Cost

At 26 April 2021

-

Additions

-

At 31 December 2021

-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

8. Investments (continued)

The Company has investments in the following subsidiaries:

Name of entity	Address of the registered office	Direct or indirect holding	Activity	Proportion of ordinary shares or ownership
Axione Fibre Limited	Becket House, 1 Lambeth Palace Road, London SE1 7EU	Direct	FTTP construction	100%

The Company acquired 100% equity investments in Axione Fibre Limited on 27 April 2021. The Company paid a consideration of £50 on incorporation of this subsidiary.

At 31 December 2021, Axione Fibre Limited had net liabilities of £3,868,000.

9. Debtors: amounts falling due within one year

	2021 £'000
Amounts falling due within one year:	
Loans to group undertakings	10,000

The amounts owed from group undertakings includes a loan of £10,000,000 which is unsecured, bears interest at 8% and is repayable on demand

10. Creditors: amounts falling due within one year

	2021 £'000
Corporation tax liability	56
	56

11. Share capital

	2021 £'000
Authorised, allotted, called up and fully paid:	
12,800,000 Ordinary shares of £1 each	12,800
1 Ordinary B share of £1 each	-
Total	12,800

Each A share is entitled to one vote, and dividend payments or any other distributions recommended by the board and passed by ordinary resolution, they have no right to fixed income.

The B share and A shares rank pari passu but the holder of the B share has no voting right and no rights to participate in the profits or the assets of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

12. Related party transactions

During the year, the Company recognised income from related parties as detailed in the table below.

Transactions entered into, and trading balances outstanding at 31 December 2021 with related parties, are as follows:

	Interest income from to related party £000	Amounts owed from related party £000
Axione Fibre Limited	294	10,000
Balance at 31 December 2021	294	10,000

13. Ultimate controlling party

The immediate and ultimate parent is Vauban Infra Fibre, a Company registered in France.

The smallest group into which the results are consolidated is the group headed by Vauban Infra Fibre and the largest group into which the results are consolidated is the group headed by Vauban Infra Fibre.