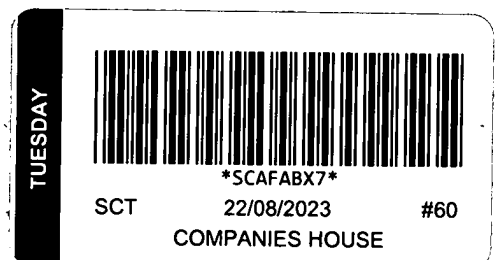


REGISTERED NUMBER: SC154414 (Scotland)

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022
FOR
HIGHLAND NETWORK LIMITED



HIGHLAND NETWORK LIMITED (REGISTERED NUMBER: SC154414)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	4

HIGHLAND NETWORK LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2022**

DIRECTORS:

D P Alldritt
R Gilbert
C D Goodman
K L Macleod
D J Siegel
C E Friend
J J E Fletcher

REGISTERED OFFICE:

Oykel House
Cradlehall Business Park
Inverness
IV2 5GH

REGISTERED NUMBER:

SC154414 (Scotland)

ACCOUNTANTS:

Watson Associates (Professional Services) Ltd
30 - 34 North Street
Hailsham
East Sussex
BN27 1DW

HIGHLAND NETWORK LIMITED (REGISTERED NUMBER: SC154414)**BALANCE SHEET
30 NOVEMBER 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	4	376,271	46,922
Tangible assets	5	603,895	618,911
		<u>980,166</u>	<u>665,833</u>
CURRENT ASSETS			
Stocks		189,121	106,396
Debtors	6	1,632,903	1,133,419
Cash at bank		628,778	581,313
		<u>2,450,802</u>	<u>1,821,128</u>
CREDITORS			
Amounts falling due within one year	7	(1,493,343)	(1,451,917)
NET CURRENT ASSETS		<u>957,459</u>	<u>369,211</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,937,625	1,035,044
PROVISIONS FOR LIABILITIES	9	(133,494)	(102,393)
NET ASSETS		<u>1,804,131</u>	<u>932,651</u>
CAPITAL AND RESERVES			
Called up share capital	10	2	2
Share premium		165,750	165,750
Retained earnings		1,638,379	766,899
SHAREHOLDERS' FUNDS		<u>1,804,131</u>	<u>932,651</u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 November 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 November 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

HIGHLAND NETWORK LIMITED (REGISTERED NUMBER: SC154414)

BALANCE SHEET - continued
30 NOVEMBER 2022

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 21 Aug 2023 and were signed on its behalf by:



.....
C E Friend - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2022**

1. STATUTORY INFORMATION

Highland Network Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its useful economic life of 4 - 10 years. Goodwill is reviewed annually by the directors for any impairment.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Telecoms subscriptions are being amortised evenly over their estimated useful life of ten years.

IP addresses are being amortised evenly over their estimated useful life of twenty years.

Customer databases are being amortised evenly over their estimated useful life of ten years.

Website development is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Communicator & Horizon	- 33% on cost
Fixtures and fittings	- 15% on reducing balance and 10% on cost
Network Assets	- 10% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022**

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, and loans to related parties.

Debt instruments that are payable or receivable within one year, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received; other debt instruments are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method.

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

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 53 (2021 - 44).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022

4. INTANGIBLE FIXED ASSETS

	Goodwill £	Telecoms subscriptions £	IP & Customer databases £	Website development £	Totals £
COST					
At 1 December 2021	567,890	293,040	146,629	7,159	1,014,718
Additions	140,848	-	214,632	-	355,480
At 30 November 2022	708,738	293,040	361,261	7,159	1,370,198
AMORTISATION					
At 1 December 2021	567,890	293,040	106,086	780	967,796
Amortisation for year	9,931	-	15,484	716	26,131
At 30 November 2022	577,821	293,040	121,570	1,496	993,927
NET BOOK VALUE					
At 30 November 2022	130,917	-	239,691	5,663	376,271
At 30 November 2021	-	-	40,543	6,379	46,922

5. TANGIBLE FIXED ASSETS

	Motor vehicles £	Communicator & Horizon £	Fixtures and fittings £
COST			
At 1 December 2021	-	60,972	613,187
Additions	27,000	-	3,773
At 30 November 2022	27,000	60,972	616,960
DEPRECIATION			
At 1 December 2021	-	60,972	592,209
Charge for year	12,375	-	6,534
At 30 November 2022	12,375	60,972	598,743
NET BOOK VALUE			
At 30 November 2022	14,625	-	18,217
At 30 November 2021	-	-	20,978

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022

5. TANGIBLE FIXED ASSETS - continued

	Network Assets £	Computer equipment £	Totals £
COST			
At 1 December 2021	1,290,994	262,271	2,227,424
Additions	40,151	114,532	185,456
At 30 November 2022	1,331,145	376,803	2,412,880
DEPRECIATION			
At 1 December 2021	776,480	178,852	1,608,513
Charge for year	101,835	79,728	200,472
At 30 November 2022	878,315	258,580	1,808,985
NET BOOK VALUE			
At 30 November 2022	452,830	118,223	603,895
At 30 November 2021	514,514	83,419	618,911

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	416,428	189,061
Amounts owed by group undertakings	470,908	243,861
Other debtors	745,567	700,497
	1,632,903	1,133,419

Other debtors includes amounts owed by D M Siegel a former director of the company £16,530 (Nov-22: £45,216).

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	1,136,324	716,398
Taxation and social security	40,976	420,166
Other creditors	316,043	315,353
	1,493,343	1,451,917

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022 £	2021 £
Within one year	134,167	-
Between one and five years	231,647	-
	365,814	-

HIGHLAND NETWORK LIMITED (REGISTERED NUMBER: SC154414)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 NOVEMBER 2022**

9. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax	<u>133,494</u>	<u>102,393</u>
		Deferred tax £
Balance at 1 December 2021		102,393
Charge to Income Statement during year		<u>31,101</u>
Balance at 30 November 2022		<u>133,494</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2022 £	2021 £
2,424	Ordinary	£0.001	<u>2</u>	<u>2</u>

11. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the year ended 30 November 2022 and the period ended 30 November 2021:

	2022 £	2021 £
D J Siegel		
Balance outstanding at start of year	18,096	170,794
Amounts advanced	117,327	22,313
Amounts repaid	(33,158)	(175,011)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>102,265</u>	<u>18,096</u>

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

13. CONTROLLING PARTY

The immediate parent undertaking is H N T Bidco Ltd. The ultimate parent undertaking is Shoreham TopCo Limited, a company registered in Jersey.

The company is under the control of Shoreham TopCo Limited.