

# Financial Statements

## Shared Access Ltd

---

For the financial year ended 31 December 2022



**Registered number: 06345316**

**Shared Access Ltd**

## Company Information

<b>Directors</b>	Christopher Leslie Jackman Stephen Clark
<b>Company secretary</b>	Mitre Secretaries Limited
<b>Registered number</b>	06345316
<b>Registered office</b>	Cannon Place 78 Cannon Street London England EC4N 6AF
<b>Independent auditor</b>	Grant Thornton Chartered Accountants & Statutory Auditors 13-18 City Quay Dublin 2 Ireland
<b>Bankers</b>	Barclays Bank PLC Leicester Leicestershire United Kingdom
<b>Solicitors</b>	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London England EC4N 6AF

## Contents

	Page
<b>Directors' report</b>	1 - 2
<b>Directors' responsibilities statement</b>	3
<b>Independent auditor's report</b>	4 - 7
<b>Statement of comprehensive income</b>	8
<b>Statement of financial position</b>	9
<b>Statement of changes in equity</b>	10
<b>Notes to the financial statements</b>	11 - 32
<b>Detailed profit and loss account and summaries</b>	33 - 36

# Directors' report

For the financial year ended 31 December 2022

The directors present their annual report and the audited financial statements for the financial year ended 31 December 2022.

## **Principal activities**

The principal activity of the Company during the financial year was the provision of services to the telecommunications industry.

## **Results and dividends**

The loss for the financial year, after taxation, amounted to £16,355,571 (2021: loss £7,492,061).

The directors have not recommended a dividend (2021: £Nil).

## **Directors**

The directors who served during the financial year were:

Christopher Leslie Jackman  
Stephen Clark

## **Going concern**

The financial statements of the Company have been prepared by the directors on a going concern basis. The directors have considered the performance of the Company against expectations and projections, as well as the capital and liquidity position of the Company. Management monitors the performance of the Company closely and continues to take actions to ensure that the Company is profitable in the future through an increase in activity and turnover together with managing expenses and overheads, preparation of forecasts of expected performance and cashflows to assist in managing the capital and liquidity position.

As at the reporting date, the Company is in a net liability position, a significant part of total liabilities represents amounts owing to fellow group undertakings, and the demand for repayment of this is wholly within the control of the Shared Access Group. As such the Board is satisfied that this does not present any liquidity issues for the Company. The Company has received a Letter of Support from its ultimate parent company who have agreed to provide continuing support for 12 months from the signing date of these financial statements. The Group currently have a loan facility amounting to £300,000,000 from its current lender and significant portion of which is not yet drawn as of year end. Taking all this into consideration the Directors are satisfied the Group has sufficient funding in the form of debt facilities and equity to meet the working capital requirements as they fall due.

Accordingly, the continued support of the shareholders, the directors have a reasonable expectation that the Company will have sufficient financial resources available to it to continue in operational existence for the foreseeable future. Therefore, the directors have concluded it is appropriate to prepare the financial statements on the going concern basis.

## **Post balance sheet events**

There have been no significant events affecting the Company since the financial year end.

Shared Access Ltd

## Directors' report (continued)

For the financial year ended 31 December 2022

### Statement of relevant audit information

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

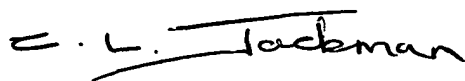
### Auditor

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

### Small companies note

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

This report was approved by the board and signed on its behalf.



**Christopher Leslie Jackman**

Directors

Date: 15 March 2023

## **Directors' responsibilities statement**

**For the financial year ended 31 December 2022**

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

Company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2006 and Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 assets, liabilities and financial position of the Company for the financial year end date and of the profit or loss for that financial year and otherwise comply with the Companies Act 2006.

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;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 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.

On behalf of the board



**Christopher Leslie Jackman**  
Directors

Date: 15 March 2023

# Independent auditor's report to the members of Shared Access Ltd

## **Opinion**

We have audited the financial statements of Shared Access Limited ("the Company"), which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the financial year ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion, Shared Access Ltd's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the year then ended; and
- have been properly 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") and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor 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 United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 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 the date 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.

# Independent auditor's report to the members of Shared Access Ltd (continued)

## **Other information**

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

In the light of the knowledge and understanding of the Company and its environment we have obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.



# Independent auditor's report to the members of Shared Access Ltd (continued)

## **Responsibilities of the management and those charged with governance for the financial statements**

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS101, and for such internal control as they determine 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Responsibilities of the auditor for the audit of the financial statements**

The objectives of an auditor 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with data protection, employment and environmental regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and local tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statement.



# Independent auditor's report to the members of Shared Access Ltd (continued)

## **Responsibilities of the auditor for the audit of the financial statements (continued)**

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

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- review of minutes of directors' meetings during the financial year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates, including impairment assessment of tangible and intangible assets; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

## **The purpose of our audit work and to whom we owe our responsibilities**

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.

A handwritten signature in black ink, appearing to read 'D Holland'.

Dan Holland (Senior Statutory Auditor)

for and on behalf of

**Grant Thornton**  
Chartered Accountants  
& Statutory Auditors  
Dublin  
Ireland

Date: 15 March 2023

## Statement of comprehensive income

For the financial year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	5	7,399,136	6,530,171
Cost of sales		(2,724,485)	(2,126,362)
<b>Gross profit</b>		<b>4,674,651</b>	<b>4,403,809</b>
Administrative expenses		(15,892,181)	(8,320,992)
<b>Operating loss</b>	6	<b>(11,217,530)</b>	<b>(3,917,183)</b>
Other interest receivable and similar income	9	699,562	520,925
Interest payable and similar expenses	10	(5,837,603)	(4,095,803)
<b>Loss before taxation</b>		<b>(16,355,571)</b>	<b>(7,492,061)</b>
Tax on loss	11	-	-
<b>Loss for the financial year</b>		<b>(16,355,571)</b>	<b>(7,492,061)</b>

All amounts relate to continuing operations.

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 11 to 32 form part of these financial statements.

Shared Access Ltd

Registered number:06345316

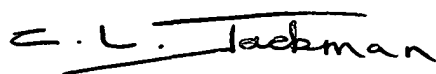
## Statement of financial position

As at 31 December 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	16,930,776	16,732,506
Property and equipment	13	28,968,764	27,624,821
Investments	14	103,244	103,244
		<u>46,002,784</u>	<u>44,460,571</u>
<b>Current assets</b>			
Stocks	15	3,765,942	949,340
Debtors due after more than one year	16	10,942,173	9,426,980
Debtors amounts falling due within one year	16	1,791,427	775,230
Cash at bank and in hand	17	941,859	465,036
		<u>17,441,401</u>	<u>11,616,586</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	18	(4,260,555)	(3,932,603)
		<u>13,180,846</u>	<u>7,683,983</u>
<b>Net current assets</b>			
		<u>59,183,630</u>	<u>52,144,554</u>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after more than one year	19	(99,499,643)	(76,104,996)
		<u>(40,316,013)</u>	<u>(23,960,442)</u>
<b>Net liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital presented as equity	21	100	100
Profit and loss account	22	(40,316,113)	(23,960,542)
		<u>(40,316,013)</u>	<u>(23,960,442)</u>
<b>Shareholders' (deficit)/funds</b>			
		<u>(40,316,013)</u>	<u>(23,960,442)</u>

These financial statements have been prepared in accordance with the small companies regime.

The financial statements were approved and authorised for issue by the board:



**Christopher Leslie Jackman**  
Directors

Date: 15 March 2023

The notes on pages 11 to 32 form part of these financial statements.

## Statement of changes in equity

For the financial year ended 31 December 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2022	100	(23,960,542)	(23,960,442)
<b>Comprehensive income for the financial year</b>			
Loss for the financial year	-	(16,355,571)	(16,355,571)
<b>At 31 December 2022</b>	<b>100</b>	<b>(40,316,113)</b>	<b>(40,316,013)</b>

## Statement of changes in equity

For the financial year ended 31 December 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	100	(16,468,481)	(16,468,381)
<b>Comprehensive income for the financial year</b>			
Loss for the financial year	-	(7,492,061)	(7,492,061)
<b>At 31 December 2021</b>	<b>100</b>	<b>(23,960,542)</b>	<b>(23,960,442)</b>

The notes on pages 11 to 32 form part of these financial statements.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 1. General information

Shared Access Ltd is a private company limited by shares and incorporated in England and Wales. Registered Number: 06345316. Its registered head office is located at Cannon Place, 78 Cannon Street, London, England, EC4N 6AF. The Company's trading address is Navigation House, The Shipyard, Bath Road, Lymington, Hampshire, SO41 3YJ.

The principal activity of the Company during the financial year was the provision of services to the telecommunications industry.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ('FRS 101'). These accounts have been prepared in Great Britain Pound (£), which is the functional currency of the Company. These financial statements have been prepared under historical cost convention. The financial statements have been prepared on a going concern basis and in accordance with the Companies Act 2006.

These financial statements are the Company's separate financial statements for the financial year ended 31 December 2022. The Company has availed of the exemption from the presentation of the consolidated financial statements for the financial year ended 31 December 2022, pursuant to exemption available for a small group.

The Company qualifies as a small company as defined by section 280A of the Act, in respect of the financial year and has applied the rules of the "Small Companies Regime" in accordance with section 280C of the Act.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial information presented in these financial statements has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by EU and Interpretations issued by the International Accounting Standards Boards (IASB) and with International Accounting Standards (IAS) and Standing Interpretations Committee.

### Adoption of new standards issued and effective as of 1 January 2022

The Company has adopted all relevant accounting standards applicable for accounting periods beginning on or after 1 January 2022. None of these have a significant impact on the Company's financial statements and therefore the disclosures have not been made.

These accounting pronouncements are enumerated below:

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.1 Basis of preparation of financial statements (continued)

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- COVID-19 – Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)
- Property, Plant and Equipment: Proceeds Before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements (2018-2020 Cycle):
  - Subsidiary as a First-time Adopter (Amendments to IFRS 1)
  - Fees in the ‘10 per cent’ Test for Derecognition of Liabilities (Amendments to IFRS 9)
  - Lease Incentives (Amendments to IFRS 16)
  - Taxation in Fair Value Measurements (Amendments to IAS 41).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements in accordance with FRS 101:

- IAS 1, ‘Presentation of financial statements’ paragraph 79 (a) (iv) (reconciliation of the number of shares outstanding at the beginning and the end of the period) and paragraph 134 to 136 - Information about its objectives, policies and processes for managing capital and puttable financial instruments.
- IAS 7, ‘Statement of Cash Flows’
- IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’- the requirement of paragraph 30 and 31. Disclosure of future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date.
- IAS 16, ‘Property, Plant and Equipment’ paragraph 73 (e) – Reconciliation of the carrying amount at the beginning and end of the period.
- IAS 24, ‘Related Party Disclosures’ paragraph 17 – Disclosure of key management personnel.
- The requirements in IAS 24, ‘Related Party Disclosures’ to disclose related party transactions entered into between two or more members of a group.
- IAS 36, ‘Impairment of Assets’ paragraph 134 (d) to 134 (f) – Disclosure regarding detailed information about the estimates used to measure recoverable amount of cash generating units containing goodwill or intangible assets with indefinite useful lives.
- IAS 38, ‘Intangible Assets’ paragraph 118 (e) - Reconciliation of the carrying amount at the beginning and end of the period.
- IFRS 7, ‘Financial Instruments’ Disclosures.
- IFRS 13, ‘Fair Value Measurement’.
- IFRS 16, ‘Leases’- For lessees from the requirements of paragraphs 52 (single lease disclosure note) and paragraph 58 (maturity analysis of lease liabilities) as long as disclosure is made of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Accounting Regulations separately for lease liabilities and other liabilities, and in total.
- IFRS 15, ‘Revenue’ - Exemption from the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

The Company is availing of the disclosure exemptions in FRS 101 as equivalent disclosures are given in the non-statutory consolidated financial statements of Shared Access Holdings LLC made up to 31 December 2022, and these financial statements can be obtained from 35 Watergate Dr Ste 1205, Sarasota, FL-34236, United States.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.2 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentation currency is GBP (£).

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

### 2.3 Revenue

Revenue from operations primarily includes telecommunication property business, focused on the acquisition, design and build of shared telecommunication infrastructure which requires the Company to provide the services to the Wireless Mobile Network Operators and others. The Company also provides tower related services.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

Performance obligations are generally satisfied over time for the duration of the arrangements. The Company's revenue from arrangements, including fixed escalation clauses, is reported on a straight-line basis over the term of the respective arrangement. Escalation clauses tied to a consumer price index ("CPI"), or other inflation-based indices, and other incentives present in agreements with the customers are excluded from the straight-line calculation.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. In accordance with IFRS 15, the Company recognises reimbursement of expenses and recharge of costs as part of revenue from operations.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.3 Revenue (continued)

In order to determine, if it is acting as principal or as an agent, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the entity is a principal) or to arrange for those services to be provided by the other party (i.e. the entity is an agent) for all its revenue arrangements.

#### Unbilled receivables and Unearned revenue

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms. Other contract assets have been disclosed as contract assets within other assets.

Unearned revenue ("contract liability") is recognised when there are billings in excess of revenues. The billing schedules agreed with customers could include periodic performance-based payments and/or milestone-based progress payments. Invoices are payable within the contractually agreed credit period. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Contract modifications - Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

#### Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included under Finance income in the profit or loss within the Consolidated statement of comprehensive income.

### 2.4 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements is incurred.

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Company intends to and has sufficient resources to complete the project
- the Company has the ability to use or sell the asset
- the asset will generate probable future economic benefits.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.4 Intangible assets (continued)

Development costs not meeting these criteria for capitalisation are expensed as incurred. Directly attributable costs include employee costs incurred on development along with an appropriate portion of relevant overheads and borrowing costs.

Intangible assets are amortised on straight line basis over the estimated useful economic life which is in line with the underlying agreements. All intangible assets are considered to have a finite useful life. The following useful lives are applied

Ground leases	- 18 to 50 years
Church projects	- 10 to 20 years
Mobile tower related assets	- Over the period of the lease
Software	- 4 years
Other intangibles	- 5 years

Gains or losses arising from de-recognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amounts of the assets and are recognised in the Statement of comprehensive income when the assets are derecognised.

### 2.5 Property and equipment

Property and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Capital work-in-progress is stated at cost less any accumulated impairment losses and not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	– Over 50 years
Office equipment	– Over 3 years
Constructed assets	– Over the period of the lease
Right of use assets	– Expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.6 Leases

#### The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

#### The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. For operating leases, rental income is recognised on a straight-line basis over the term of the relevant lease.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.7 Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are companied together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of profit and loss.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2.8 Financial instruments

#### Recognition, initial measurement and de-recognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.8 Financial instruments (continued)

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Company does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

#### Subsequent measurement of financial assets

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash, trade and most other receivables fall into this category of financial instruments.

##### Financial assets at FVTPL

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains an equity investment. The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in Neutron Technologies, S.L. at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of IFRS 9 'Financial Instruments', which does not allow for measurement at cost. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

##### Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.8 Financial instruments (continued)

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at and point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

#### Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade and other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

#### Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

As at reporting dates, there are no financial instruments that are subsequently measured at fair value and all categories of financial instruments are carried at amortised cost. The fair value of the financial instruments carried at amortised cost is considered as equivalent to the carrying amounts, after duly considering the values at which the instruments could be exchanged between willing parties, other than in a forced or liquidation sale.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### 2.11 Cash at bank

Cash is represented by cash in deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

### 2.12 Pensions

The employer contributions to pension fund are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

### 2.13 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 2. Accounting policies (continued)

### 2.14 Finance income

Finance income is recognised in profit or loss using the effective interest method.

## 3. Going concern

The financial statements of the Company have been prepared by the directors on a going concern basis. The directors have considered the performance of the Company against expectations and projections, as well as the capital and liquidity position of the Company. Management monitors the performance of the Company closely and continues to take actions to ensure that the Company is profitable in the future through an increase in activity and turnover together with managing expenses and overheads, preparation of forecasts of expected performance and cashflows to assist in managing the capital and liquidity position.

As at the reporting date, the Company is in a net liability position, a significant part of total liabilities represents amounts owing to fellow group undertakings, and the demand for repayment of this is wholly within the control of the Shared Access Group. As such the Board is satisfied that this does not present any liquidity issues for the Company. The Company has received a Letter of Support from its ultimate parent company who have agreed to provide continuing support for 12 months from the signing date of these financial statements. The Group currently have a loan facility amounting to £300,000,000 from its current lender and significant portion of which is not yet drawn as of year end. Taking all this into consideration the Directors are satisfied the Group has sufficient funding in the form of debt facilities and equity to meet the working capital requirements as they fall due.

Accordingly, the continued support of the shareholders, the directors have a reasonable expectation that the Company will have sufficient financial resources available to it to continue in operational existence for the foreseeable future. Therefore, the directors have concluded it is appropriate to prepare the financial statements on the going concern basis.

## 4. Significant management judgements in applying accounting policies

When preparing the financial statements, the management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

### *Going concern*

The Directors have assessed the Company's ability to continue as a going concern based on forecast information and support from Parent Company, and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis (see Note 3).

### *Revenue recognition*

In order to determine, if it is acting as principal or as an agent, the Company determines whether the nature of its promise is a performance obligation to provide the specified services itself (i.e. the Company is a principal) or to arrange for those services to be provided by the other party (i.e. the Company is an agent) for all its revenue arrangements.

# Notes to the financial statements

For the financial year ended 31 December 2022

## 4. Significant management judgements in applying accounting policies (continued)

### *Estimating useful lives of tangible and intangible assets*

The Company estimates the useful lives of property and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and intangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives of property and equipment and intangible assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. Actual results, however, may vary due to changes in estimates brought about by changes in factors earlier mentioned.

### *Leases - Estimating the incremental borrowing rate*

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

### *Impairment of non-financial assets*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

### *Determination of realisable amount of deferred tax assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

### *Estimating loss allowance for expected credit losses*

The Company measures expected credit losses of a financial instrument in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, the time value of money and information about past events, current conditions and forecasts of future economic conditions. When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

## Notes to the financial statements

For the financial year ended 31 December 2022

### 5. Turnover

An analysis of turnover by timing of revenue recognition:

	2022 £	2021 £
Telecommunication services recognised over period of time	4,953,841	4,794,950
Telecommunications at a point in time	2,445,295	1,735,221
	<u>7,399,136</u>	<u>6,530,171</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	<u>7,399,136</u>	<u>6,530,171</u>

### 6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Foreign exchange differences, net	7,931,354	1,126,316
Depreciation of tangible fixed assets (including right-of-use assets)	1,469,459	1,578,563
Amortisation of intangible assets	1,445,400	1,272,491
Pension expense	227,146	124,688
Construction in progress written off	26,590	202,511
Provision for inventory obsolescence	84,000	-
	<u>7,399,136</u>	<u>6,530,171</u>

### 7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	2,731,805	2,199,376
Social insurance costs	360,324	281,415
Pension expense	227,146	124,688
Redundancy costs	-	15,833
	<u>3,319,275</u>	<u>2,621,312</u>

## Notes to the financial statements

For the financial year ended 31 December 2022

### 7. Employees (continued)

The average monthly number of employees, including the directors, during the financial year was as follows:

	2022 No.	2021 No.
Management and administrative staff	40	32

### 8. Directors remuneration

	2022 £	2021 £
Directors emoluments	237,304	218,010
Directors pension expense	6,000	6,000
	<u>243,304</u>	<u>224,010</u>

The highest paid director earned aggregate remuneration for its service to the company of £243,304 (2021: £224,010) which includes pension expense of £6,000 (2021: £6,000). The Company also paid for the cost of director services to other group companies totalling to £92,197 (2021: £60,473) during the year.

### 9. Interest receivable

	2022 £	2021 £
Interest receivable from group companies	699,562	439,329
Other interest receivable	-	81,596
	<u>699,562</u>	<u>520,925</u>

### 10. Interest payable and similar expenses

	2022 £	2021 £
Loans from group undertakings	5,749,018	4,005,344
Interest expense on lease liability	88,585	90,459
	<u>5,837,603</u>	<u>4,095,803</u>

# Notes to the financial statements

For the financial year ended 31 December 2022

## 11. Taxation

	2022 £	2021 £
Current tax on profits for the financial year	-	-
<b>Taxation on profit</b>	<b>-</b>	<b>-</b>

### Factors affecting tax charge for the financial year

The tax assessed for the financial year is higher than (2021 - higher than) the standard rate of corporation tax in the United Kingdom of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss before tax	<b>(16,355,571)</b>	<b>(7,492,061)</b>
Loss multiplied by standard rate of corporation tax in the United Kingdom of 19% (2021 - 19%)	<b>(3,107,558)</b>	<b>(1,423,492)</b>
<b>Effects of:</b>		
Non-deductible expenditure and other timing differences	<b>3,107,558</b>	<b>1,423,492</b>
<b>Total tax charge for the financial year</b>	<b>-</b>	<b>-</b>

### Factors that may affect future tax charges

The standard rate of UK Corporation Tax is to remain at 19% until 31 March 2023. The Finance Act 2021, which was published on 11 March 2021 states that this rate is to be increased from 19% to 25% from 1 April 2023. In summary, the rate of corporation tax from 1 April 2023 will increase to 25% for companies generating taxable profits of more than £250,000. The current 19% tax rate will continue to apply to 'small' companies with profits less than £50,000, with a 'taper relief rate' for those companies with profits between the new thresholds. A deferred tax asset will only be recognised where, in the opinion of the Directors, the Company is expected to make sufficient profits against which these tax assets can be set off on the future.

The Company has trading losses of £9,858,640 (2021: £9,483,094) to utilise against future profits. The corresponding potential deferred tax asset has not been recognised in the financial statements as its recoverability against future trading profits is uncertain.

Shared Access Ltd

Notes to the financial statements  
For the financial year ended 31 December 2022

12. Intangible assets

	Software £	Ground leases £	Church leases £	Mobile tower related assets £	Other intangibles £	Total £
<b>Cost</b>						
At 1 January 2022	1,517,146	4,744,656	2,047,763	12,056,700	-	20,366,265
Additions	143,670	-	-	-	1,500,000	1,643,670
At 31 December 2022	<u>1,660,816</u>	<u>4,744,656</u>	<u>2,047,763</u>	<u>12,056,700</u>	<u>1,500,000</u>	<u>22,009,935</u>
<b>Amortisation</b>						
At 1 January 2022	1,137,858	1,166,392	425,256	904,253	-	3,633,759
Charge for the financial year	429,340	166,296	121,929	602,835	125,000	1,445,400
At 31 December 2022	<u>1,567,198</u>	<u>1,332,688</u>	<u>547,185</u>	<u>1,507,088</u>	<u>125,000</u>	<u>5,079,159</u>
<b>Net book value</b>						
At 31 December 2022	<u>93,618</u>	<u>3,411,968</u>	<u>1,500,578</u>	<u>10,549,612</u>	<u>1,375,000</u>	<u>16,930,776</u>
At 31 December 2021	<u>379,288</u>	<u>3,578,264</u>	<u>1,622,507</u>	<u>11,152,447</u>	-	<u>16,732,506</u>

Shared Access Ltd

Notes to the financial statements

For the financial year ended 31 December 2022

13. Property and equipment

	Freehold property £	Right-of-use assets £	Special Projects £	Mast Construction £	Office equipment £	Construction in Progress £	Total £
<b>Cost or valuation</b>							
At 1 January 2022	41,720	1,991,636	9,608,581	17,889,071	722,767	2,010,918	32,264,693
Additions	-	101,518	-	-	183,053	2,555,421	2,839,992
Disposals	-	-	-	-	-	(26,590)	(26,590)
Transfers between classes	-	-	743,591	163,410	-	(907,001)	-
At 31 December 2022	<u>41,720</u>	<u>2,093,154</u>	<u>10,352,172</u>	<u>18,052,481</u>	<u>905,820</u>	<u>3,632,748</u>	<u>35,078,095</u>
<b>Depreciation</b>							
At 1 January 2022	6,394	223,060	1,170,064	2,666,453	573,901	-	4,639,872
Charge for the financial year on owned assets	834	158,811	489,556	725,188	95,070	-	1,469,459
At 31 December 2022	<u>7,228</u>	<u>381,871</u>	<u>1,659,620</u>	<u>3,391,641</u>	<u>668,971</u>	<u>-</u>	<u>6,109,331</u>
<b>Net book value</b>							
At 31 December 2022	<u>34,492</u>	<u>1,711,283</u>	<u>8,692,552</u>	<u>14,660,840</u>	<u>236,849</u>	<u>3,632,748</u>	<u>28,968,764</u>
At 31 December 2021	<u>35,326</u>	<u>1,768,576</u>	<u>8,438,517</u>	<u>15,222,618</u>	<u>148,866</u>	<u>2,010,918</u>	<u>27,624,821</u>

## Notes to the financial statements

For the financial year ended 31 December 2022

### 13. Property and equipment (continued)

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold	34,492	35,326
Long leasehold	1,711,283	1,768,577
	<u>1,745,775</u>	<u>1,803,903</u>

### 14. Financial assets

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	1	103,243	103,244
At 31 December 2022	<u>1</u>	<u>103,243</u>	<u>103,244</u>

On 30 September 2021, the Company subscribed and fully paid 171 shares of €1 each in Neutron Technologies, S.L., a limited company incorporated and existing under the laws of Spain for €120,000 (£103,243). The Company has 4.21% equity interest in Neutron Technologies, S.L.

No indication of impairment at the financial year end.

### 15. Stocks

	2022 £	2021 £
Raw materials and consumables	3,765,942	949,340
	<u>3,765,942</u>	<u>949,340</u>

The provision for obsolescence recognised during the year amounted to £84,000 (2021: £Nil).

## Notes to the financial statements

For the financial year ended 31 December 2022

### 16. Debtors

	2022	2021
	£	£
<b>Due after more than one year</b>		
Amounts owed by group undertakings	10,942,173	9,426,980
	<u>10,942,173</u>	<u>9,426,980</u>
	2022	2021
	£	£
<b>Due within one year</b>		
Trade debtors	1,119,364	263,435
VAT recoverable	321,662	40,519
Prepayments	305,629	269,808
Contract assets	44,772	201,468
	<u>1,791,427</u>	<u>775,230</u>

Trade debtors are non-interest bearing and are generally on 30/90 days' term credit. As the reporting date the Company has recognised £Nil (2021: £Nil) allowance for credit losses on outstanding trade debtors.

Amounts owed by group undertakings is unsecured, repayable in 5 years and attracts interest of 5.5% + Sterling Overnight Index Average (SONIA) rate.

### 17. Cash

	2022	2021
	£	£
Cash at bank and in hand	941,859	465,036
	<u>941,859</u>	<u>465,036</u>

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

	2022	2021
	£	£
Trade creditors	296,349	276,431
Taxation and social insurance	180,188	111,553
Lease liabilities (Note 20)	168,956	128,563
Accruals	668,545	863,398
Contract liabilities	2,946,517	2,552,658
	<u>4,260,555</u>	<u>3,932,603</u>

## Notes to the financial statements

For the financial year ended 31 December 2022

### 18. Creditors: Amounts falling due within one year (continued)

Trade payables and accruals are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms. The net carrying value of trade payables and accruals is considered a reasonable approximation of fair value.

Amounts owed to group undertaking above includes an unsecured, interest-free loan, and are repayable on demand.

Corporation tax and other taxes including social insurance are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

The terms of the contract assets and contract liabilities are based on the underlying contracts with the customers.

	2022 £	2021 £
<b>Other taxation and social insurance</b>		
PAYE/NI	<u>180,188</u>	<u>111,553</u>

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

	2022 £	2021 £
Lease liabilities (Note 20)	1,454,276	1,571,056
Loan from group undertakings	94,951,800	70,953,057
Contract liabilities	<u>3,093,567</u>	<u>3,580,883</u>
	<u><u>99,499,643</u></u>	<u><u>76,104,996</u></u>

Amounts owed by group undertakings is unsecured, repayable in 5 years and attracts interest of 5.5% + Sterling Overnight Index Average (SONIA) rate.

### 20. Leases

	2022 £	2021 £
<b>Lease liabilities</b>		
Current lease liabilities	168,956	128,563
Non-current lease liabilities	<u>1,454,276</u>	<u>1,571,056</u>
	<u><u>1,623,232</u></u>	<u><u>1,699,619</u></u>

## Notes to the financial statements

For the financial year ended 31 December 2022

### 20. Leases (continued)

The Company has leases for the various land and buildings. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the Statement of financial position as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property and equipment (see Note 13).

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised in the Statement of financial position:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	
<b>2022</b>				
Land and buildings	13	2 - 28 years	12 years	
<b>2021</b>				
Land and buildings	11	5 - 29 years	15 years	
			<b>2022</b>	2021
			£	£
<b>Particulars</b>				
Depreciation on right-of-use assets			<b>158,811</b>	123,444
Interest on lease liabilities			<b>88,585</b>	90,459
<b>Total amount recognised in the Statement of comprehensive income</b>			<b>247,396</b>	<b>213,903</b>

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities and when they fall due.

The total cash outflow for leases in 2022 was £266,489 (2021: £234,208).

### 21. Share capital

	2022	2021
	£	£
<b>Authorised, allotted, called up and fully paid</b>		
100 (2021 - 100) Ordinary shares of £1.00 each	<b>100</b>	100

### 22. Reserves

#### Profit and loss account

This account includes all current and prior period retained profits and losses.

## Notes to the financial statements

For the financial year ended 31 December 2022

### **23. Pension commitments**

The Company operated a PRSA scheme during the financial year. The assets of the schemes are held separately from those of the Company. Pension costs for the period amounted to £227,146 (2021: £124,688).

### **24. Post balance sheet events**

There have been no significant events affecting the Company since the financial year end.

### **25. Controlling party**

The Company's ultimate parent company is Shared Access Holdings LLC, a company incorporated in the United States of America, whose registered address is Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808, United States and the principal executive office is located at 35 Watergate Dr Ste 1205 Sarasota, FL-34236 United States. The smallest to consolidate these financial statements is Shared Access LLC. The largest group to consolidate these financial statements is Shared Access Holdings LLC. The Group's ultimate controlling parties is The Goldman Sachs Group, Inc.

### **26. Charge on assets**

Post Road Administrative LLC holding the following security over the debts of its ultimate parent company:

- A fixed first charge over all the Company's respective property, assets and book debts.

### **27. Reclassification of comparative amounts**

Certain comparative figures have been reclassified to conform to the current year presentation. These reclassifications had no effect on the reported results of operations.

### **28. Related party transactions**

The Company availed the disclosure exemptions in accordance with FRS101 from disclosing transactions with other wholly owned subsidiaries and group undertakings.

### **29. Approval of financial statements**

The board of directors approved these financial statements for issue on 15 March 2023.

## Detailed profit and loss account

For the financial year ended 31 December 2022

	2022	2021
	£	£
Turnover	7,399,136	6,530,171
Cost of Sales	(2,724,485)	(2,126,362)
<b>Gross profit</b>	<u>4,674,651</u>	<u>4,403,809</u>
<b>Gross profit %</b>	63.2 %	67.4 %
<b>Less: overheads</b>		
Administration expenses	(15,892,181)	(8,320,992)
<b>Operating loss</b>	<u>(11,217,530)</u>	<u>(3,917,183)</u>
Interest receivable	699,562	520,925
Interest payable	(5,837,603)	(4,095,803)
<b>Loss for the financial year</b>	<u>(16,355,571)</u>	<u>(7,492,061)</u>

## Schedule to the detailed accounts

For the financial year ended 31 December 2022

	2022	2021
	£	£
<b>Turnover</b>		
Sales - Connect fees	721,786	719,107
Fees receivable - service charges	2,445,295	1,735,221
Sales - Licence fees	4,232,055	4,075,843
	<u>7,399,136</u>	<u>6,530,171</u>
	2022	2021
	£	£
<b>Cost of sales</b>		
Cost of sales	<u>2,724,485</u>	<u>2,126,362</u>

## Schedule to the detailed accounts

For the financial year ended 31 December 2022

	2022	2021
	£	£
<b>Administration expenses</b>		
Staff salaries	2,731,805	2,199,376
Staff private health insurance	73,007	23,233
Staff national insurance	360,324	281,415
Staff pension current service costs (DC)	227,146	124,688
Staff training	10,761	8,955
Canteen	23,755	27,333
Entertainment	153,597	165,935
Hotels, travel and subsistence	283,338	29,984
Consultancy	320,343	201,174
Printing and stationery	4,227	3,571
Postage	6,171	8,410
Telephone and fax	66,933	37,581
Computer costs	314,412	282,091
General office expenses	(15,065)	97,217
Advertising and promotion	-	4,650
Trade subscriptions	31,351	21,901
Legal and professional	90,845	116,616
Accountancy fees	46,793	40,948
Bank charges	2,928	7,298
Difference on foreign exchange	7,391,354	1,126,316
Sundry expenses	87,732	105,371
Rates	45,283	42,684
Cleaning	29,187	19,673
Insurances	122,706	108,037
Repairs and maintenance	59,365	67,387
Depreciation - plant and machinery	1,469,162	2,182,083
Amortisation - intangible fixed assets	1,447,412	668,966
Redundancy costs	-	15,833
Business development costs	408,038	292,766
Donations	15,271	9,500
Provision for inventory obsolescence	84,000	-
	<u>15,892,181</u>	<u>8,320,992</u>

**Shared Access Ltd**

## Schedule to the detailed accounts

For the financial year ended 31 December 2022

	2022	2021
	£	£
<b>Interest receivable</b>		
Other interest receivable	-	81,596
Group interest receivable - intercompany	<b>699,562</b>	439,329
	<u><b>699,562</b></u>	<u>520,925</u>
	<u><b>699,562</b></u>	<u>520,925</u>
	2022	2021
	£	£
<b>Interest payable</b>		
Group interest payable - intercompany	<b>5,749,018</b>	4,005,344
Finance lease charges payable	<b>88,585</b>	90,459
	<u><b>5,837,603</b></u>	<u>4,095,803</u>
	<u><b>5,837,603</b></u>	<u>4,095,803</u>