

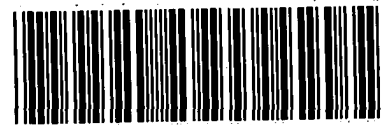
Registered number: 10988029

GEORGE DIGITAL UK 2 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

TUESDAY



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GEORGE DIGITAL UK 2 LIMITED

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COMPANY INFORMATION

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Directors	N G Macke J K Harraway
Company secretary	A J Deering
Registered number	10988029
Registered office	56 Love Lane Cowes England PO31 7EU
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

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GEORGE DIGITAL UK 2 LIMITED

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## GEORGE DIGITAL UK 2 LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

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#### Introduction

The directors present their Strategic Report for the Company for the year ended 30 September 2022.

#### Principal activity

The principal activity of the Company is to act as an investment trust.

#### Business review and future developments

The Company was incorporated on 29th September 2017 and has an investment of 100% of the equity of WightFibre Limited. Details of the results for the year are set out in the Statement of Comprehensive Income on page 9.

The loss for the year was £861,686 (2021 - £878,757) and the net liabilities at 30 September 2022 were £2,624,809 (2021 - £1,763,123). The Company had no recognised gains or losses other than those disclosed on page 9.

The Company has loan notes which are listed on the International Stock Exchange. The holder of these loan notes is George Digital SLP LP.

#### Principal risks and uncertainties

The Company's investment, WightFibre Limited, is the provider of the only Ultrafast Broadband Network to homes and businesses on the Isle of Wight. The risks and uncertainties faced by the Company are those inherent to those of an investment trust and the rollout, operation and trading performance of the new Ultrafast Broadband Network and are primarily:

##### Liquidity risk:

- The Company's investment is illiquid and long-term;

##### Operational risk:

- Losses arising from the availability of contractors/contractor resource to deliver the network and increased cost and reduced build rate due to ineffective contract management;

##### Market risks:

- Competition from BT and their wholesale partners who offer an inferior service on the Island and lower than expected demand for WightFibre's services;

##### Financial risks:

- Relating to the failure to deliver the projected cost per unit of a home passed increasing the cost of the build and losses and access to funding, which is dependent on WightFibre's operational & financial performance; and

##### Repayment risk:

- Whether WightFibre Limited will be able to repay the sums borrowed from the Company in 2032.

#### Key performance indicators (KPIs)

Management considers there to be no Key Performance Indicators for the Company.

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GEORGE DIGITAL UK 2 LIMITED

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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



Nicolas Macke (Jan 26, 2023 15:45 GMT)

**N G Macke**  
Director

Date: 26/01/2023

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GEORGE DIGITAL UK 2 LIMITED

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DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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The directors present their report and the financial statements for the year ended 30 September 2022.

**Results and dividends**

The loss for the year, after taxation, amounted to £861,686 (2021 - £878,757).

No dividends were declared or paid during the year (2021 - £Nil).

**Directors**

The directors who served during the year were:

N G Macke  
J K Harraway

**Disclosure of information to auditor**


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

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

**Auditor**

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

  
Nicolas Macke (Jan 26, 2023 15:45 GMT)

N G Macke  
Director

Date: 26/01/2023

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GEORGE DIGITAL UK 2 LIMITED

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEORGE DIGITAL UK 2 LIMITED

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### Opinion

We have audited the financial statements of George Digital UK 2 Limited (the 'Company') for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.



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## GEORGE DIGITAL UK 2 LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEORGE DIGITAL UK 2 LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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 other matters prescribed by the Companies Act 2006

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

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

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

In the light of the knowledge and understanding of the 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 page 4, 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.

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## GEORGE DIGITAL UK 2 LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEORGE DIGITAL UK 2 LIMITED (CONTINUED)

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#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Company's industry and regulation.

We understand that the Company complies with the framework through:

- Outsourcing accounts preparation and tax compliance to external experts;
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary; and
- The directors' close involvement in the running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Investment impairment and recovery of amounts due from group undertakings, as these are estimates made by management.

These areas were communicated to the other members of the engagement team not present at the discussion. The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates identified above, and comparison to market data.

A further description of our responsibilities is available 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.

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GEORGE DIGITAL UK 2 LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEORGE DIGITAL UK 2 LIMITED (CONTINUED)

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**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*CLA Evelyn Partners Limited*

CLA Evelyn Partners Limited (Jan 26, 2023 15:56 GMT)

Julie Mutton (Senior Statutory Auditor)

for and on behalf of

**CLA Evelyn Partners Limited**

Chartered Accountants

Statutory Auditor

4th Floor Cumberland House

15-17 Cumberland Place

Southampton

Hampshire

SO15 2BG

Date: 26/01/2023

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GEORGE DIGITAL UK 2 LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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	Note	2022 £	2021 £
Administrative expenses		(1,611)	(5,391)
<b>Operating loss</b>		<b>(1,611)</b>	<b>(5,391)</b>
Interest receivable and similar income	6	3,749,359	3,083,776
Interest payable and similar expenses	7	(4,609,434)	(3,957,142)
<b>Loss before tax</b>		<b>(861,686)</b>	<b>(878,757)</b>
Tax on loss	8	-	-
<b>Loss for the financial year</b>		<b>(861,686)</b>	<b>(878,757)</b>

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


The notes on pages 12 to 20 form part of these financial statements.

GEORGE DIGITAL UK 2 LIMITED  
REGISTERED NUMBER:10988029

BALANCE SHEET  
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	9	7,036,278	7,036,278
		<u>7,036,278</u>	<u>7,036,278</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	10	42,854,293	35,111,940
Debtors: amounts falling due within one year	10	5	5
Cash at bank and in hand		96	96
		<u>42,854,394</u>	<u>35,112,041</u>
Creditors: amounts falling due within one year	11	(10)	(5,405)
<b>Net current assets</b>		<u>42,854,384</u>	<u>35,106,636</u>
<b>Total assets less current liabilities</b>		<u>49,890,662</u>	<u>42,142,914</u>
Creditors: amounts falling due after more than one year	12	(52,515,471)	(43,906,037)
<b>Net liabilities</b>		<u>(2,624,809)</u>	<u>(1,763,123)</u>
<b>Capital and reserves</b>			
Called up share capital	14	3	3
Share premium account	15	1,118,072	1,118,072
Profit and loss account	15	(3,742,884)	(2,881,198)
<b>Shareholders' deficit</b>		<u>(2,624,809)</u>	<u>(1,763,123)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
Nicolas Macke (Jan 26, 2023 15:45 GMT)

**N G Macke**  
Director

Date: 26/01/2023

The notes on pages 12 to 20 form part of these financial statements.

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GEORGE DIGITAL UK 2 LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 October 2020	3	1,118,072	(2,002,441)	(884,366)
Comprehensive loss for the year				
Loss for the year	-	-	(878,757)	(878,757)
At 1 October 2021	3	1,118,072	(2,881,198)	(1,763,123)
Comprehensive loss for the year				
Loss for the year	-	-	(861,686)	(861,686)
At 30 September 2022	3	1,118,072	(3,742,884)	(2,624,809)

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GEORGE DIGITAL UK 2 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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**1. General information**

George Digital UK 2 Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 10988029). The registered office address is 56 Love Lane, Cowes, England, PO31 7EU.

The Company's functional and presentational currency is GBP.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of George Digital UK 1 Limited as at 30 September 2022 and these financial statements may be obtained from Companies House.

**2.3 Exemption from preparing consolidated financial statements**

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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**2. Accounting policies (continued)**

**2.4 Going concern**

The Company made a loss during the year of £861,686 (2021 - £878,757) and at the balance sheet date had net liabilities of £2,624,809 (2021 - £1,763,123).

During FY19/20, loan note funding was extended by £12.3m and this was partly utilised in the year. Furthermore, additional bank funding up to £50m was secured in FY19/20 in the subsidiary entity, part of which has been utilised in the year to further support the subsidiary Company and Group's expansion.

Forecasts have been prepared using information currently available to consider the subsidiary's programme to extend the network across the Isle of Wight.

Given the secured funding the directors have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern for the foreseeable future, which is considered to be at least twelve months from the date of approval of these financial statements. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**2.5 Interest income**

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

**2.6 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.

**2.7 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.



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## GEORGE DIGITAL UK 2 LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

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## 2. Accounting policies (continued)

### 2.8 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

### 2.9 Taxation

Tax is recognised in profit or loss 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.

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GEORGE DIGITAL UK 2 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The judgements, estimates and assumptions are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made.

The directors consider that the following estimates have had the most significant effect on amounts recognised in the financial statements:

**Investment impairment**

The directors assess the carrying value of the investment in its subsidiary company Wightfibre Limited by reference to the present value of the discounted cashflows of the entity. In calculating the net present value the key assumptions made by management are an appropriate discount rate and terminal value based on an EBITDA multiple. Having performed this assessment, the directors have concluded that no impairment is required against the carrying value as shown in note 9.

**Debtor recoverability**

Balances with other group companies are held at the lower of cost and the recoverable amount. The recoverability of these balances is a matter of judgement for the directors. Changes in performance of other group entities in comparison to forecasted performance could have significant bearing on the ability of that entity to re-pay funds when due. At the balance sheet date, amounts owed from group companies totalled £39,111,940 (2021 - £32,028,164), no provision has been included against this debt.

4. Auditor's remuneration

Audit fees are borne by other group companies.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £Nil)

6. Interest receivable and similar income

	2022 £	2021 £
Interest receivable from group companies	<u>3,749,359</u>	<u>3,083,776</u>

GEORGE DIGITAL UK 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

7. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	4,609,434	3,957,142

8. Taxation

	2022 £	2021 £
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

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

	2022 £	2021 £
Loss on ordinary activities before tax	(861,686)	(878,757)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(163,720)	(166,964)
Effects of:		
Expenses not deductible for tax purposes	362,880	335,033
Income not taxable for tax purposes	(199,466)	(161,585)
Remeasurement of deferred tax for changes in tax rates	(97)	(45,043)
Deferred tax not recognised	403	38,559
Total tax charge for the year	-	-

Factors that may affect future tax charges

Finance Act 2021 included legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

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GEORGE DIGITAL UK 2 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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9. Fixed asset investments

	Investment in subsidiary company £
<b>Cost</b>	
At 1 October 2021	7,036,278
At 30 September 2022	<u>7,036,278</u>
<b>Net book value</b>	
At 30 September 2022	<u>7,036,278</u>
At 30 September 2021	<u>7,036,278</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Wightfibre Limited	56 Love Lane, Cowes, Isle of Wight, PO31 7EU	Supply of broadband, TV and telephone services on the Isle of Wight	Ordinary	100%

GEORGE DIGITAL UK 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

10. Debtors

	2022 £	2021 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	39,111,940	32,028,164
Prepayments and accrued income	3,742,353	3,083,776
	<u>42,854,293</u>	<u>35,111,940</u>
<b>Due within one year</b>		
Other debtors	5	5
	<u>5</u>	<u>5</u>

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	10	1,310
Amounts owed to group undertakings	-	4,095
	<u>10</u>	<u>5,405</u>

12. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	47,693,633	39,787,156
Accruals and deferred income	4,821,838	4,118,881
	<u>52,515,471</u>	<u>43,906,037</u>

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GEORGE DIGITAL UK 2 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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**13. Loans**

Analysis of the maturity of loans is given below:

	2022 £	2021 £
<b>Amounts falling due after more than 5 years</b>		
Other loans	<u>47,693,633</u>	<u>39,787,156</u>

Interest on the loan notes is charged at 10% per annum. Included in the above is £47,187,070 (2021 - £39,298,975) of loan notes listed on The International Stock Exchange (TISE). These loan notes are repayable in 2032. The loan notes are unsecured.

**14. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
3 Ordinary shares of £1.00 each	<u>3</u>	<u>3</u>

**15. Reserves**

**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of their nominal value.

**Profit and loss account**

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

**16. Related party transactions**

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

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GEORGE DIGITAL UK 2 LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2022

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**17. Controlling party**

The immediate and ultimate parent is George Digital UK 1 Limited, a company registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ended 30 September 2022 have been drawn up is that headed by George Digital UK 1 Limited. Copies of the group accounts are available from Companies House.

The directors consider George Digital SLP LP to be the ultimate controlling party.