

**REGISTERED NUMBER: 10513512 (England and Wales)**

**Directors' Report and  
Financial Statements for the Period 6 December 2016 to 31 March 2018  
for  
Edge Orbital Holdings 2 Limited**

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for the Period 6 December 2016 to 31 March 2018**

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## **Edge Orbital Holdings 2 Limited**

### **Company Information for the Period 6 December 2016 to 31 March 2018**

**Directors:**

R G Ammoun  
A P Bhuwania  
J S Gordon  
R D Knight  
J D Matallana Mendez  
J McDonagh

**Registered office:**

3rd Floor  
3 - 5 Charlotte Street  
Manchester  
M1 4HB

**Registered number:**

10513512 (England and Wales)

**Independent auditors :**

Mazars LLP  
One St Peter's Square  
Manchester  
M2 3DE

**Bankers:**

Royal Bank of Scotland  
Devonshire Square  
London  
EC2M 4XJ

## **Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

### **Directors' Report for the Period 6 December 2016 to 31 March 2018**

The directors present their report with the financial statements of the company for the period 6 December 2016 to 31 March 2018.

#### **Incorporation**

The company was incorporated on 6 December 2016.

#### **Principal activity**

The principal activity of the company in the period under review was that of a holding company for an investment in Connect Plus (M25) Holdings Limited.

#### **Review of business**

The results of the company for the period are set out in the profit and loss account on page 6.

#### **Dividends**

The directors do not recommend the payment of a dividend.  
The loss for the period retained in the company is £2,405,000.

#### **Directors**

The directors during the period under review were:

R G Ammoun	- appointed 6/12/2016
A P Bhuvania	- appointed 6/12/2016
J S Gordon	- appointed 6/12/2016
R D Knight	- appointed 6/12/2016
J D Matallana Mendez	- appointed 6/12/2016
J McDonagh	- appointed 6/12/2016

The directors holding office at 31 March 2018 did not hold any beneficial interest in the issued share capital of the company at date of appointment or 31 March 2018.

All the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

#### **Financial instruments**

The company's principal financial instruments comprise unsecured loan notes which have been issued to its investors. The company does not undertake financial instrument transactions which are speculative or unrelated to the company's activities. The loan notes have been issued at fixed rates of interest so there is no interest rate risk.

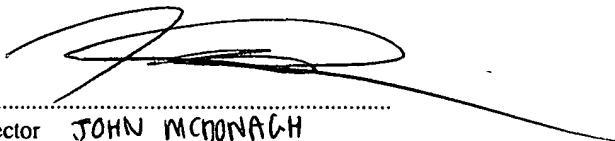
#### **Strategic report**

The company has taken advantage of the exemption under section 414B of the Companies Act 2006 not to present a Strategic Report. The Directors' Report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

#### **Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **On behalf of the board:**



Director JOHN McDONAGH

Date: 2nd October 2018.

## **Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

### **Statement of Directors' Responsibilities for the Period 6 December 2016 to 31 March 2018**

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 financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Report of the Independent Auditors to the Members of Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

### **Opinion**

We have audited the financial statements of Edge Orbital Holdings 2 Limited (the 'company') for the period ended 31 March 2018 which comprise the Profit and loss account and other comprehensive income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 31 March 2018 and of its loss for the period 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 Auditors' 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and financial statements other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

### **Opinion 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.

## **Report of the Independent Auditors to the Members of Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

### **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 Directors' Report.

We have nothing to report in respect of the following matters where 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' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

### **Auditors' 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 a Report of the Auditors 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.

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

### **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 a Report of the Auditors 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.



Timothy Hudson (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
One St Peter's Square  
Manchester  
M2 3DE

Date: .....

5 October 2018.

**Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

**Profit and loss account and other comprehensive income  
for the Period 6 December 2016 to 31 March 2018**

	Notes	£'000
<b>Turnover</b>		-
Administrative expenses		(37)
		<u>(37)</u>
Other operating income		26
		<u>26</u>
<b>Operating loss</b>	5	(11)
Interest receivable and similar income	6	2,946
Interest payable and similar expenses	7	(5,832)
		<u>(2,897)</u>
<b>Loss before taxation</b>		(2,897)
Tax on loss	8	492
		<u>492</u>
<b>Loss for the financial period</b>		(2,405)
<b>Other comprehensive income</b>		-
		<u>-</u>
<b>Total comprehensive loss for the period</b>		<u><u>(2,405)</u></u>

The notes on pages 11 to 16 form part of these financial statements




**Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

**Balance Sheet**  
**31 March 2018**

	Notes	£'000
<b>Fixed assets</b>		
Investments	9	68,373
<b>Current assets</b>		
Debtors: amounts falling due after more than one year	10	492
Cash at bank		34
		<hr/> 526
Creditors: amounts falling due within one year	11	(36)
		<hr/> 490
<b>Net current assets</b>		
		<hr/> 68,863
<b>Total assets less current liabilities</b>		
		<hr/>
Creditors: amounts falling due after more than one year	12	(62,400)
		<hr/>
<b>Net assets</b>		<u>6,463</u>
		<hr/>
<b>Capital and reserves</b>		
Called up share capital	15	8,868
Retained earnings	16	(2,405)
		<hr/>
<b>Shareholders' funds</b>		<u>6,463</u>

The financial statements were approved by the Board of Directors on 2nd October 2018 and were signed on its behalf by:

  
.....  
Director **JOHN McDONAGH**

The notes on pages 11 to 16 form part of these financial statements

**Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

**Statement of Changes in Equity  
for the Period 6 December 2016 to 31 March 2018**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Changes in equity</b>			
Issue of share capital	8,868	-	8,868
Total comprehensive loss	-	(2,405)	(2,405)
<b>Balance at 31 March 2018</b>	<b>8,868</b>	<b>(2,405)</b>	<b>6,463</b>

The notes on pages 11 to 16 form part of these financial statements

**Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

**Cash Flow Statement  
for the Period 6 December 2016 to 31 March 2018**

	Notes	£'000
<b>Cash flows from operating activities</b>		
Cash generated from operations	1	25
Net cash from operating activities		<u>25</u>
<b>Cash flows from investing activities</b>		
Acquisition of investments in associates		(66,565)
Interest received		<u>1,137</u>
Net cash from investing activities		<u>(65,428)</u>
<b>Cash flows from financing activities</b>		
Share issue		8,868
Issue of unsecured loan notes		57,696
Interest paid on unsecured loan notes		<u>(1,127)</u>
Net cash from financing activities		<u>65,437</u>
<b>Increase in cash and cash equivalents</b>		<u>34</u>
Cash and cash equivalents at beginning of period	2	-
Cash and cash equivalents at end of period	2	<u><u>34</u></u>

The notes on pages 11 to 16 form part of these financial statements

**Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

**Notes to the Cash Flow Statement  
for the Period 6 December 2016 to 31 March 2018**

**1. Reconciliation of loss before taxation to cash generated from operations**

	<b>£'000</b>
Loss before taxation	<b>(2,897)</b>
Finance costs	<b>5,832</b>
Finance income	<b>(2,946)</b>
	<b>(11)</b>
Increase in trade and other creditors	<b>36</b>
<b>Cash generated from operations</b>	<b>25</b>

**2. Cash and cash equivalents**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 31 March 2018**

	<b>31.3.18</b>	<b>6.12.16</b>
	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	<b>34</b>	<b>-</b>

The company had no bank account at the beginning of the period. The cash flows from financing activities effectively funded the cash flows for investing activities

## **Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

### **Notes to the Financial Statements for the Period 6 December 2016 to 31 March 2018**

#### **1. Statutory information**

Edge Orbital Holdings 2 Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

All amounts in the accounts have been rounded to the nearest £1,000.

#### **2. Accounting policies**

##### **Basis of preparing the financial statements**

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

##### **Investments in Associates**

Equity investments in associated companies are held at cost less impairment. Further details are given in note 3a.

##### **Classification of financial instruments issued by the company**

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

##### **Basic financial instruments**

###### **Loan receivables**

Loan receivables are recognised initially at cost and subsequently at amortised cost using the effective interest rate method.

###### **Interest-bearing borrowings classified as basic financial instruments**

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

**Notes to the Financial Statements - continued  
for the Period 6 December 2016 to 31 March 2018**

**2. Accounting policies - continued**

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Profit and loss account and other comprehensive income,

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

**Going concern**

The company currently has £62.4m of loans outstanding. The company's forecasts and projections, taking account of reasonably possible changes in trading performance and improvements in cash flows arising from a refinancing in July 2018 of the debt in the group in which the company has invested, show that the company should be able to operate within the level of its current debt obligations which are all due to its shareholders. The company has no external debt.

There is a mismatch between the expected maturity date of the company's fixed asset investments and the maturity of the company's debt which funded the acquisition of the fixed asset investments. However, latest projections show that cash generated from the fixed asset investments will be sufficient to repay the company's debt within the fixed asset investment's expected maturity period.

At the end of the period, the company had net current liabilities of £2,000.

Cash received in the form of interest on loan stock investments has been used to pay interest payable and other ancillary costs. As the directors can determine the amount and timing of interest payments on the company's shareholder debt, there is a high degree of control over retaining sufficient cash to pay third party creditors as they fall due.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Expenses**

**Interest receivable and payable**

Interest payable and similar expenses includes interest payable on borrowings.

Other interest receivable and similar income includes interest receivable on funds invested and interest recognised on loan notes in associated undertakings.

Interest payable is recognised in profit or loss as it accrues, using the effective interest method. Other interest receivable and similar income is recognised in profit or loss as it accrues.

## Edge Orbital Holdings 2 Limited (Registered number: 10513512)

### Notes to the Financial Statements - continued for the Period 6 December 2016 to 31 March 2018

#### 3. Judgements and key sources of estimation uncertainty

Critical judgements of the directors include the following:

##### (a) Assessment of control/influence

The Company has an equity investment of 10% in Connect Plus (M25) Holdings Limited. In accordance with FRS 102.14.3 if the investor holds, directly or indirectly, less than 20% of the voting power of the associate it is presumed that the investor does not have significant influence unless influence can be clearly demonstrated.

Although the company only has a 10% investment, it is entitled to appoint a director to the Board of Connect Plus (M25) Holdings Limited and the shareholders' agreement of that company requires unanimity from all directors on matters of strategic importance. This gives Edge Orbital Holdings 2 Ltd the power to influence the financial and operating policies of Connect Plus (M25) Holdings Limited.

Furthermore, the company has identical directors and ownership structure to fellow group entity Edge Orbital Holdings Ltd who also have an investment in Connect Plus (M25) Holdings Limited of 40%. On this basis it is considered reasonable to look at the holding in total.

The combined holding means it does exercise significant combined influence over the operating and financial policies of Connect Plus (M25) Holdings Limited through representation on the Board of Directors of that company. However, the governance structure of Connect Plus (M25) Holdings Limited means that significant decisions must be unanimously agreed and, therefore, there is no control or joint control.

Accordingly, the company accounts for its investment as investments in associated undertakings.

##### (b) Assessing for indicators of impairment

The directors assess the carrying value of the investments against the present value of shareholder cash flows in the Connect Plus (M25) Holdings Limited project operating model. Directors have also taken into account the positive impact on future shareholder cash flows of a refinancing of the Connect Plus (M25) Holdings Limited group's external debt which completed in July 2018.

##### (c) Determination and allocation of initial cost of investment

The initial cost of investments was determined by the acquisition price paid for the equity and the loan stock. Subsequent to the acquisition date, the allocation of acquisition price was reviewed and re-allocated to recognise the company's entitlement to loan stock interest which had accrued at the date of acquisition and the order of allocation of total consideration set out within the Sale and Purchase Agreement.

The directors consider that there are no other sources of significant estimation uncertainty.

#### 4. Employees and directors

The company had no employees during the period. The Directors received no remuneration for their services during the period.

#### 5. Operating loss

The operating loss is stated after charging:

Auditors' remuneration	£'000 18
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Auditor's remuneration was £15,000 net of irrecoverable VAT.

#### 6. Interest receivable and similar income

On 12% unsecured loan notes	£'000 2,946
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**Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

**Notes to the Financial Statements - continued  
for the Period 6 December 2016 to 31 March 2018**

**7. Interest payable and similar expenses**

	£'000
On 6.5% unsecured loan notes	2,975
On 11.85% unsecured loan notes	2,857
	<u>5,832</u>

**8. Taxation**

**Analysis of the tax credit**

The tax credit on the loss for the period was as follows:

	£'000
Deferred tax	(492)
Tax on loss	<u>(492)</u>

**Reconciliation of total tax credit included in profit and loss**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	£'000
Loss before tax	<u>(2,897)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19.250%	(558)
Effects of:	
Change in tax rate	66
Total tax credit	<u>(492)</u>

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A further reduction to 17% from 1 April 2020 was substantively enacted on 6 September 2016.

**9. Fixed asset investments**

	Shares in associated undertakings £'000	Loan Notes £'000	Totals £'000
<b>Cost</b>			
Additions	47,017	19,548	66,565
Accrued interest	-	1,808	1,808
Reallocation of acquisition price	(781)	781	-
At 31 March 2018	<u>46,236</u>	<u>22,137</u>	<u>68,373</u>
<b>Net book value</b>			
At 31 March 2018	<u>46,236</u>	<u>22,137</u>	<u>68,373</u>

The equity investments comprise investments in the equity share capital and loan notes issued by companies in the Connect Plus (M25) Holdings Limited group. The loan notes were acquired at par with interest accruing at 12% per annum. The subsequent reallocation of purchase price represents an adjustment for interest entitlement accrued but not settled on acquisition as set out in note 3c.



**Notes to the Financial Statements - continued  
for the Period 6 December 2016 to 31 March 2018**

<b>10. Debtors: amounts falling due after more than one year</b>	<b>£'000</b>
Deferred tax asset	
Tax losses carried forward	<b>492</b>
	<b>492</b>
<b>11. Creditors: amounts falling due within one year</b>	<b>£'000</b>
Trade creditors	<b>8</b>
Accruals and deferred income	<b>28</b>
	<b>36</b>
<b>12. Creditors: amounts falling due after more than one year</b>	<b>£'000</b>
Other loans (see note 13)	<b>62,400</b>
<b>13. Loans</b>	
An analysis of the maturity of loans is given below:	
	<b>£'000</b>
Amounts falling due in more than five years:	
Repayable by instalments	
6.5% unsecured loan stocks	<b>40,395</b>
11.85% unsecured loan stocks	<b>22,005</b>
	<b>62,400</b>

The unsecured loan notes are denominated in sterling and bear interest at a fixed rate of 6.5% and 11.85% and fall due for redemption in March 2033. Interest is payable half yearly in arrears on 31 March and 30 September. Priority is given to payment of accrued interest before current period interest. Capital repayments can be made at the company's option subject to having sufficient cash.

The unsecured loan notes are listed on TISE and are stapled to the equity. The loan notes are not therefore freely transferable in their own right.

**14. Financial instruments**

**Carrying amount of financial instruments**

The carrying amounts of the financial assets and financial liabilities include:

	<b>£'000</b>
Assets measured at amortised cost	<b>22,137</b>
Liabilities measured at amortised cost	<b>(62,400)</b>

**Financial risk management**

The company has issued financial instruments for the purpose of financing the company's investment activity.

**Edge Orbital Holdings 2 Limited (Registered number: 10513512)**

**Notes to the Financial Statements - continued  
for the Period 6 December 2016 to 31 March 2018**

**15. Called up share capital**

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
886,806,638	Ordinary Shares	£0.01	<u><u>8,868,066</u></u>

886,806,638 Ordinary Shares shares of £0.01 each were allotted and fully paid for cash at par during the period.

On incorporation on 6 December 2016, 10,000 shares of 1p each were issued.

On 24 January 2017 a further 886,796,638 of 1p each were also issued.

**16. Reserves**

	<b>Retained earnings £'000</b>
Deficit for the period	<u><u>(2,405)</u></u>
At 31 March 2018	<u><u>(2,405)</u></u>

**17. Ultimate parent company**

The company is controlled by its shareholders: Equitix Orbital Holdings Limited (50%), Dalmore Highway Investment Holdings Limited (15.09%) and GCM Infrastructure Holdings III LLC (34.91%). None of the investors consolidates Edge Orbital Holdings 2 Limited into its own financial statements.