

Registered number: 04587255

Zinwave Limited

Unaudited

Annual Report and Financial Statements

For the year ended 31 December 2022

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Zinwave Limited

Company Information

Director B Lancaster (appointed 6 December 2022)

Registered number 04587255

Registered office First Floor Block J
Harston Mill
Cambridgeshire
England
CB22 7GG

Accountants Kreston Reeves LLP
Chartered Accountants
2nd Floor
168 Shoreditch High Street
London
E1 6RA

Bankers HSBC Plc
City of London Corporate Banking Centre
1st Floor
60 Queen Victoria Street
London
EC4N 4TR

Regions Financial Corporation
1900 5th Avenue North
Birmingham
USA
AL 95203

JP Morgan Chase Bank
N.A., London Branch
25 Bank Street
Canary Wharf
E14 5JP

Zinwave Limited

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Zinwave Limited

Strategic Report For the year ended 31 December 2022

The Director presents the Strategic Report of Zinwave Limited (the "Company") for the year ended 31 December 2022.

Review of business

The Company, its fellow group undertakings and other related Zinwave companies are global providers of reliable in-building wireless coverage solutions with offices in the USA, UK and Asia. Zinwave has the only true wideband active Distributed Antenna System (DAS) in the market covering all frequencies between 150MHz and 2,700MHz. It provides a highly cost effective multi-service solution over a single hardware infrastructure that can be easily scaled for future service additions.

Zinwave supply in-building wireless coverage solutions across vertical markets including Corporate and enterprise, Education, Healthcare, Government, Hospitality, Industrial and Public venues.

Results and performance

The results of the Company for the year, as set out in the Statement of comprehensive income, show loss for the financial year of \$1.6m (2021: profit of \$0.8m). The net liabilities position of the Company as at 31 December 2022 is \$31.4m (2021: \$29.8m).

The performance of the Company during FY22 has been good with revenues increasing to \$11.2m (2021: \$9.9m). Although gross profit increased by \$0.4m to \$5.8m (2021: \$5.4m) gross profit margin decreased to 51.5% (2021: 54.5%). Non-exceptional operating expenses increased by \$1.2m to \$5.8m (2021: \$4.6m).

Financial key performance indicators

The key performance indicators for 2022 are shown below:

	2022	2021
Revenue	\$11.2m	\$9.9m
Gross profit	\$5.8m	\$5.4m
Gross profit % of revenue	51.5%	54.5%
EBITDA	(\$1.4m)	\$0.9m

Reconciliation back to operating profit:

Adjust for depreciation and amortisation	\$0.2m	\$0.2m
Operating profit/(loss)	(\$1.6m)	\$0.7m

Business environment

Per Research and Markets' forecast, the global DAS equipment market was \$8.7 billion in 2021 and is expected to grow to \$12.7 billion by 2027, with a CAGR of 6.5% during 2021-2027. Multiple alternative technologies vie for the in-building market with some suppliers offering many solutions to cover a larger section of market needs.

Strategy

The Company's development efforts for 2022 were focused on; 1) launching its high-power remote; 2) developing a converged low band / mid band remote to reduce cost to deploy, and; 3) developing an MIMO combined remote to reduce cost to deploy. The Company will also continue to leverage existing core intellectual property to drive development into new markets not previously served.

Zinwave will continue to consolidate its position and concentrate its efforts on achieving maximum growth in its existing market segments, whilst exploring new markets that suit our solution. Zinwave aims to improve efficiency in all areas of operations through cost reduction, production efficiency and flexible policies to keep up with the pace of change in this market. Customer service remains a top priority.

Zinwave Limited

Strategic Report (continued) For the year ended 31 December 2022

Principal risks and uncertainties

Zinwave remains focused on understanding the risks it faces in today's business environment and putting in place strategies to deal with these in the short and longer term.

The risk	The management strategy
Technology change	Product innovation, active participation on technical advisory boards and thought leadership forums.
Competitors	We are actively increasing our focus on differentiating Zinwave from other OEM offerings and promoting our superior Total Cost or Ownership (TCO) model to the market.
Price risk	Zinwave products are continually being bench-marked against other competitors' products. We believe our solution continues to be the most competitive TCO model on the market. We continue to seek ways to reduce the cost to produce without compromising the quality of our solution through redesign and supplier management.
Credit risk	To keep aware of potential risks. Working with the right partners, close analysis of regional activity, utilisation of credit analysis tools and maintaining good communication channels with current customer base.
Foreign currency	Reducing risk by natural hedging, aligning costs to match sales currency.
Cash flow	We maintain focus on our cash position, monitoring the balance daily. Our operating expenditure is mostly fixed, with the only significant variable being payment to our main PCBA supplier. This supplier is on a 60-day account while most of our customers are on a 30-day account.
Liquidity	With the backing of our parent company Wilson Electronics, LLC the risk associated with our ability to meet short term financial demands is low. Wilson Electronics remains invested in our long-term strategy and provide the backing required for us to continue operating.
Supply risk	We remain in close contact with our suppliers to understand the impacts of their businesses and operations. Our suppliers may face challenges in maintaining an adequate workforce or securing materials from their own suppliers.

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls.

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

Bruce Lancaster

Bruce Lancaster (Nov 7, 2023 09:25 MST)

B Lancaster

Director

Date: 9 November 2023

Zinwave Limited

Directors' Report For the year ended 31 December 2022

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

Principal activity

The principal activity of the Company is the development, manufacture and sale of telecommunication infrastructure equipment.

Results and dividends

The loss for the year, after taxation, amounted to \$1,632 thousand (2021: profit \$811 thousand).

The directors do not recommend the payment of a dividend (2021: \$Nil).

Going concern

The directors have prepared the financial statements on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company was able to generate profit in 2021 and after some reorganisations since the acquisition the Company expects to generate profits going forward. Wilson Electronics is committed to the continued support of Zinwave Limited.

Directors

The directors who served during the year were:

B S Kitterman (resigned 6 December 2022)
B Lancaster (appointed 6 December 2022)
C P McWane (resigned 6 December 2022)
G R Page (resigned 5 January 2022)
K E Petty (resigned 6 December 2022)

Financial risk management

Financial Risk Management is discussed in the Strategic Report on pages 1-2.

Future developments

Future developments are discussed in the Strategic Report on pages 1-2.

Research and development activities

Research and development costs incurred during the year amounted to \$368k (2021: \$49k), all of which has been expensed in the Statement of comprehensive income.

Zinwave Limited

Directors' Report (continued) For the year ended 31 December 2022

Statement of directors' responsibilities in respect of the financial statements

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 prepared the company 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', 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 judgments and accounting 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;
- 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.

Post balance sheet events

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

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

Bruce Lancaster

Bruce Lancaster (Nov 7, 2023 09:25 MST)

B Lancaster
Director
Date: 9 November 2023

Zinwave Limited

**Statement of Comprehensive Income
For the year ended 31 December 2022**

	Note	2022 \$000	2021 \$000
Turnover	4	11,202	9,890
Cost of sales		(5,433)	(4,502)
Gross profit		5,769	5,388
Administrative expenses		(5,787)	(4,616)
Exceptional administrative expenses	12	(1,575)	-
Operating (loss)/profit	5	(1,593)	772
Interest payable and similar expenses	8	(39)	(33)
(Loss)/profit before taxation		(1,632)	739
Tax on (loss)/profit	9	-	72
(Loss)/profit for the financial year		(1,632)	811

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 9 to 24 form part of these financial statements.

Zinwave Limited
Registered number: 04587255

Balance Sheet
As at 31 December 2022

	Note	2022 \$000	2021 \$000
Fixed assets			
Intangible assets	10	54	74
Tangible assets	11	405	388
Investments	12	-	14
		<u>459</u>	<u>476</u>
Current assets			
Stocks	13	2,571	1,726
Debtors: amounts falling due within one year	14	1,791	6,349
Cash at bank and in hand	15	1,172	206
		<u>5,534</u>	<u>8,281</u>
Creditors: amounts falling due within one year	16	(2,377)	(2,009)
Net current assets		<u>3,157</u>	<u>6,272</u>
Total assets less current liabilities		<u>3,616</u>	<u>6,748</u>
Creditors: amounts falling due after more than one year	17	(35,083)	(36,583)
Net liabilities		<u>(31,467)</u>	<u>(29,835)</u>
Capital and reserves			
Called up share capital	18	-	-
Share premium account	19	8,353	8,353
Capital contribution reserve	19	22,857	22,857
Foreign exchange reserve	19	170	170
Other reserves	19	191	191
Profit and loss account	19	(63,038)	(61,406)
		<u>(31,467)</u>	<u>(29,835)</u>

Zinwave Limited
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Balance Sheet (continued)
As at 31 December 2022

The directors considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

Bruce Lancaster
Bruce Lancaster:Nov 7, 2023 09:25 MST:

B Lancaster
Director
Date: 9 November 2023

The notes on pages 9 to 24 form part of these financial statements.

Zinwave Limited

Statement of Changes in Equity
For the year ended 31 December 2022

	Called up share capital \$000	Share premium account \$000	Capital contribution reserve \$000	Foreign exchange reserve \$000	Other reserves \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2021	-	8,353	22,857	170	191	(62,217)	(30,646)
Profit for the year	-	-	-	-	-	811	811
At 1 January 2022	-	8,353	22,857	170	191	(61,406)	(29,835)
Loss for the year	-	-	-	-	-	(1,632)	(1,632)
At 31 December 2022	-	8,353	22,857	170	191	(63,038)	(31,467)

The notes on pages 9 to 24 form part of these financial statements.

Zinwave Limited

Notes to the Financial Statements For the year ended 31 December 2022

1. General information

Zinwave Limited (the "Company") is a private company limited by shares incorporated in England, United Kingdom. The Company's registered address and principal place of business is First Floor Block J, Harston Mill, Cambridgeshire, CB22 7GG.

The principal activity of the Company is the development, manufacture and sale of telecommunication infrastructure equipment.

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 judgment 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 4 Statement of Financial Position paragraph 4.12(a)(iv).
- the requirements of Section 7 Statement of Cash Flows,
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d),
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f) 11.42, 11.44, 11.45, 11.47, 11.48(a)(ii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a) 12.29(b) and 12.29A
- the requirements of Section 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of Zinwave Holdings Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

2.3 Consolidated financial statements

The Company is a wholly owned subsidiary of Zinwave Holdings Limited and is included in the consolidated financial statements of Zinwave Holdings Limited which are publicly available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

**Notes to the Financial Statements
For the year ended 31 December 2022**

2. Accounting policies (continued)

2.4 Functional currency

FRS 102 (foreign currency translations) describes functional currency as "the currency of the primary economic environment in which entity operates. FRS 102 determines that the primary economic environment based on where the entity generates and expends cash.

The majority of the Company's revenue is generated in US Dollars and the majority of the cost base (particularly purchases) is also based on US Dollars. The financial statements are prepared in US dollars (\$), which is the functional currency of the Company and rounded to the nearest \$'000s.

2.5 Going concern

The directors have prepared the financial statements on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company was able to generate profit in 2021 and after some reorganisations since the acquisition the Company expects to generate profits going forward. Wilson Electronics is committed to the continued support of Zinwave Limited.

2.6 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the product have been transferred to the buyer, which may be upon shipment, completion of the product or based on specific contract terms.

Revenue from services provided by the Company is recognised when the Company has performed its obligations and in exchange obtained the right to consideration

2.7 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the relevant entity operates (the "functional currency") The financial statements are presented in US dollars, which is the Company's presentation currency as described above.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot rate at the dates of the transactions, or average exchange rates applicable to this period in which the Company considers to be a reasonable approximation of the transaction rate.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

2.8 Investments

Investments in subsidiaries and joint ventures are valued at cost less provision for impairment.

Zinwave Limited

Notes to the Financial Statements For the year ended 31 December 2022

2. Accounting policies (continued)

2.9 Inventory

Inventory is stated at the lower of cost and net realisable value, after provisions are made in respect of obsolete and slow-moving items. Cost of raw materials, consumables and goods for resale is based on purchase cost on a first-in, first-out basis. Net realisable value is the estimated selling price less all further costs to complete and all costs to be incurred in marketing, selling and distribution.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with an original maturity date of three months or less.

2.12 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Research and development

Research and development expenditure is expensed as incurred.

2.14 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.

**Notes to the Financial Statements
For the year ended 31 December 2022**

2. Accounting policies (continued)

2.15 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	3 to 10 years
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If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

2.16 Tangible fixed assets

Tangible fixed assets 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.

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:

Plant and machinery	- 3 to 5 years
Office equipment	- 3 years

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 profit or loss.

2.17 Financial instruments

The Company only enters into basic financial instrument transaction that result in recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investment in non-puttable ordinary shares.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Notes to the Financial Statements
For the year ended 31 December 2022**

2. Accounting policies (continued)

2.17 Financial instruments (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where its effect is immaterial. The Company's cash and cash equivalents, and most receivables due in the operating cycle fall within this category of financial instruments.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include payables, bank loans and other loans, are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

2.18 Finance costs

Finance costs are charged to Statement of Comprehensive Income 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.

2.19 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

**Notes to the Financial Statements
For the year ended 31 December 2022**

2. Accounting policies (continued)

2.20 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.21 Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term unless the rental payments are structured to increase in line with expected general inflation, in which case the Company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

**Notes to the Financial Statements
For the year ended 31 December 2022**

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following key judgments, estimates and assumptions, none of which are thought to have a reasonable possibility of material reassessment in the coming year, have been applied in preparing financial statements:

Deferred tax

No deferred tax asset has been recognised in respect of accumulated trading losses as there is insufficient certainty over timing of future taxable profits.

Inventories

The provision for obsolete, slow-moving or defective inventory is based on management's estimation of the commercial life of the inventory line. In assessing this, management takes into consideration the sales history of products and the length of time that they have been available for resale.

Provisions for trade debtors

The Company has some concentration of credit risk due to the influence of large contracts on its business. To offset this risk the Company has implemented policies that require appropriate credit checks on potential customers before sales are made. An impairment provision is maintained in respect of amounts owed by specific customers where recoverability of the debt is considered sufficiently uncertain.

Revenue

Significant management estimate is applied in determining the allocation and timing of the recognition of revenue on certain contracts. In this process management considers milestones, hardware supplied, actual work performed, further obligations and costs expected to complete the work.

Zinwave Limited

Notes to the Financial Statements For the year ended 31 December 2022

4. Turnover

An analysis of turnover by class of business is as follows:

	2022 \$000	2021 \$000
Equipment	10,204	9,256
Services	998	634
	11,202	9,890

Analysis of turnover by country of destination:

	2022 \$000	2021 \$000
UK	2,799	1,235
Rest of Europe	520	833
Rest of the world	7,883	7,822
	11,202	9,890

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2022 \$000	2021 \$000
Research & development charged as an expense	368	49
Operating lease charges	179	202
Depreciation of tangible assets	198	200
Amortisation of intangible assets	20	20
Exchange differences	45	50
Impairment of trade debtors	1	59
Impairment of investment in subsidiary	1,575	-

Zinwave Limited

**Notes to the Financial Statements
For the year ended 31 December 2022**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	\$000	\$000
Wages and salaries	2,187	2,132
Social security costs	120	131
Other pension costs	47	42
	<u>2,354</u>	<u>2,305</u>

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

	2022	2021
	No.	No.
Employees	<u>17</u>	<u>27</u>

7. Directors' remuneration

	2022	2021
	\$000	\$000
Directors' emoluments	137	359
Company contributions to defined contribution pension schemes	5	10
	<u>142</u>	<u>369</u>

8. Interest payable and similar expenses

	2022	2021
	\$000	\$000
Bank interest payable	1	-
Loans from group undertakings	38	33
	<u>39</u>	<u>33</u>

9. Taxation

	2022	2021
	\$000	\$000
Corporation tax		
Current tax on profits for the year	-	(67)
Adjustments in respect of previous periods	-	(5)
Total current tax	<u>-</u>	<u>(72)</u>

Notes to the Financial Statements
For the year ended 31 December 2022

9. Taxation (continued)

Factors affecting tax charge for the year

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

	2022	2021
	\$000	\$000
(Loss)/profit on ordinary activities before tax	(1,632)	739
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(310)	140
Effects of:		
Expenses not deductible for tax purposes	11	22
Adjustments to tax charge in respect of prior periods	-	(5)
Adjustment in research and development tax credit	-	(67)
Losses carried forward for which no deferred tax asset recognised	299	(162)
Total tax credit for the financial year	-	(72)

Factors that may affect future tax charges

On 24 May 2021, the Finance Bill 2021 was substantively enacted, increasing the main rate of corporation tax to 25% on 1 April 2023, for companies with taxable profits above £250,000. Companies with taxable profits below £50,000 will continue to pay at 19%, and marginal relief will apply between these thresholds. A deferred tax asset has not been recognised for the significant tax losses that are being carried forward as at the balance sheet date due to the uncertainty surrounding future profitability.

Zinwave Limited

**Notes to the Financial Statements
For the year ended 31 December 2022**

10. Intangible assets

	Software \$000
Cost	
At 1 January 2022	275
At 31 December 2022	<u>275</u>
Amortisation	
At 1 January 2022	201
Charge for the year	20
At 31 December 2022	<u>221</u>
Net book value	
At 31 December 2022	<u>54</u>
At 31 December 2021	<u>74</u>

11. Tangible fixed assets

	Long-term leasehold property \$000	Plant and machinery \$000	Office equipment \$000	Computer equipment \$000	Other fixed assets \$000	Total \$000
Cost or valuation						
At 1 January 2022	29	899	36	46	697	1,707
Additions	-	215	-	-	-	215
At 31 December 2022	<u>29</u>	<u>1,114</u>	<u>36</u>	<u>46</u>	<u>697</u>	<u>1,922</u>
Depreciation						
At 1 January 2022	27	622	10	46	614	1,319
Charge for the year	2	146	7	-	43	198
At 31 December 2022	<u>29</u>	<u>768</u>	<u>17</u>	<u>46</u>	<u>657</u>	<u>1,517</u>
Net book value						
At 31 December 2022	<u>-</u>	<u>346</u>	<u>19</u>	<u>-</u>	<u>40</u>	<u>405</u>
At 31 December 2021	<u>2</u>	<u>277</u>	<u>26</u>	<u>-</u>	<u>83</u>	<u>388</u>

Zinwave Limited

**Notes to the Financial Statements
For the year ended 31 December 2022**

12. Fixed asset investments

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 January 2022	14
Additions	1,561
At 31 December 2022	<u>1,575</u>
Impairment	
Charge for the period	1,575
At 31 December 2022	<u>1,575</u>
Net book value	
At 31 December 2022	-
At 31 December 2021	<u>14</u>

13. Stocks

	2022 \$000	2021 \$000
Raw materials and consumables	1,539	1,116
Work in progress	245	174
Finished goods and goods for resale	787	436
	<u>2,571</u>	<u>1,726</u>

Zinwave Limited

Notes to the Financial Statements For the year ended 31 December 2022

14. Debtors

	2022 \$000	2021 \$000
Trade debtors	508	869
Amounts owed by group undertakings	797	4,576
Other debtors	91	212
Prepayments and accrued income	379	537
Corporation tax receivable	16	155
	<u>1,791</u>	<u>6,349</u>

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

15. Cash and cash equivalents

	2022 \$000	2021 \$000
Cash at bank and in hand	<u>1,172</u>	<u>206</u>

16. Creditors: Amounts falling due within one year

	2022 \$000	2021 \$000
Trade creditors	813	632
Amounts owed to group undertakings	773	707
Taxation and social security	31	30
Accruals and deferred income	760	640
	<u>2,377</u>	<u>2,009</u>

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

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

	2022 \$000	2021 \$000
Amounts owed to group undertakings	<u>35,083</u>	<u>36,583</u>

\$Nil (2021: \$1,500k) of the amounts owed to group undertakings bear interest at LIBOR plus 0.266%, assessed on a quarterly basis. The interest charge for 2022 was \$38k (2021: \$35k). The loan was settled in full during the year.

\$35,083k (2021: \$35,083k) of the amounts owed to group undertakings are interest free and repayable on demand. The Directors have received confirmation from the counter parties that no repayment would be required before 30 September 2024.

Zinwave Limited

Notes to the Financial Statements For the year ended 31 December 2022

18. Share capital

	2022 \$	2021 \$
Allotted, called up and fully paid		
20,004 (2021: 20,004) Ordinary A shares of £0.01 each	200	200
9,240 (2021: 9,240) Ordinary B shares of £0.01 each	92	92
	<u>292</u>	<u>292</u>

Distribution rights - income

The profits which the Company may determine to distribute in respect of any financial period shall be distributed amongst the holders of the A shares and B shares in proportion to the amount paid up on the shares (excluding any premium paid on subscription) held by them respectively *pari passu* as if the A shares and B shares were the same.

Distribution rights - capital

Holder of the B shares are paid first, then the balance distributed among the holders of A and B shares in proportion.

Voting rights

Each member has one vote and, on a poll, one vote for each share held.

19. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs. The movement in share capital represents the premium over the nominal value for the 1p share issued in the year.

Capital contribution reserve

This reserve records amounts received as capital contributions from Zinwave Holdings Limited.

Foreign exchange reserve

This reserve records the differences arising from translating operations in 2014 when the Company accounted for its transactions and balances in sterling as its functional currency.

Other reserves

This reserve records the warrants (granted in 2008) exercisable for the longer of ten years from the date of issue or five years after the initial public offering of the Company's ordinary shares.

Profit and loss account

This reserve records all current and prior year retained profits and losses.

Zinwave Limited

Notes to the Financial Statements For the year ended 31 December 2022

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to \$42k (2021: \$42k).

21. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	\$000	\$000
Not later than 1 year	103	116
Later than 1 year and not later than 5 years	102	228
	205	344

Zinwave Limited

Notes to the Financial Statements For the year ended 31 December 2022

22. Related party transactions

In 2022, Zinwave Limited engaged in intercompany transactions with companies within the McWane group as follows:

	Transactions			Balance
	Recharges	Products & Services	Interest on Loans	2022
	\$'000	\$'000	\$'000	\$'000
McWane Luxembourg Holdings, SARL	-	-	(38)	-
McWane Inc	(58)	-	-	-
Synapse Wireless Inc	-	(19)	-	-
Zinwave Holdings Limited	-	-	-	(25,392)
Zinwave Inc	-	-	-	(9,691)
Zinwave Macau Limited	31	111	-	(96)
Zinwave US LLC	-	-	-	15
Zinwave LLC	(131)	5,052	-	797
	(158)	5,144	(38)	(34,367)

The 2021 comparative summary of intercompany transactions with companies within the McWane group is as follows:

	Transactions			Balance
	Recharges	Products & Services	Interest on Loans	2021
	\$'000	\$'000	\$'000	\$'000
McWane Luxembourg Holdings, SARL	-	-	(33)	(1,500)
McWane Inc	(73)	(130)	-	-
Synapse Wireless Inc	-	(27)	-	(27)
Zinwave Holdings Limited	-	-	-	(25,392)
Zinwave Inc	-	-	-	(9,691)
Zinwave Macau Limited	28	295	-	1,149
Zinwave US LLC	-	-	-	(1)
Zinwave LLC	(131)	6,311	-	2,748
	(176)	6,449	(33)	(32,714)

23. Ultimate parent undertaking and controlling party

Zinwave Holdings Limited is the immediate parent undertaking of Zinwave Limited and is the smallest undertaking to consolidate these financial statements. The consolidated financial statements of Zinwave Holdings Limited are available from Companies House.

The ultimate parent and controlling party is TCFIV WE, LLC, a company incorporated in the United States of America.