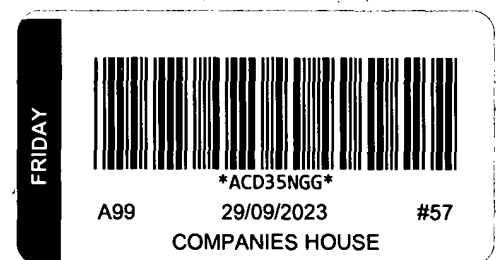


**Registered number: 06743598**

**Global Invacom Holdings Limited**

**Annual report and Financial statements  
for the year ended 31 December 2022**



## **Global Invacom Holdings Limited**

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**Global Invacom Holdings Limited**

**Company Information**

**Directors**

J S Parfitt  
G Blaikie (appointed 9 December 2022)

**Country of incorporation**

England and Wales

**Registered number**

06743598

**Registered office**

Freeman House  
John Roberts Business Park  
Canterbury  
Kent  
CT5 3BJ

**Independent auditors**

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

## **Global Invacom Holdings Limited**

### **Group strategic report for the year ended 31 December 2022**

#### **Introduction**

The Directors present their strategic report together with the audited financial statements for the year ended 31 December 2022.

#### **Principal activity**

The principal activity of the Group during the year was the design and manufacture of products for the reception, transmission and distribution of signals via satellite.

#### **Business review**

The net results show a loss of (\$7.3m) for the year ended 31 December 2022 (2021: \$1.8 million loss). Revenues decreased by 11.0% on the prior year (2021 \$79.3m, 2020 \$99.5m) with gross margins increasing by 0.7% to 19.2% from 18.5% in 2021. The results for the year are shown on page 15.

2022 was a challenging year for the company with continued pressure on company revenue. The legacy recovery of global supply chains, combined with increased raw material prices has impacted the ability to fulfil demand. In addition, the market requirement for our products has been impacted by ongoing delays to the launch of satellites by key customers delaying demand for some of our legacy products. Despite turbulence in the broader macroeconomic environment, the supply chain and ongoing inflationary pressures, the company remains focused on mitigating the impact of these headwinds and delivering progress in its core business operations by the appointment of an experienced manufacturing team and working closely with our customers to secure appropriate trading terms and instigate a robust call off schedule where possible.

The Company revenues declined in 2022 although gross margin strengthened due to management focus and positive supply chain activity towards the end of 2021.

Once again on behalf of myself and the board, I would like to express our sincere gratitude to our employees around the world for not only keeping the business running, but also going to extraordinary lengths to keep essential product getting to our customers.

Global Invacom remains a leading provider of innovative products and solutions for the satellite ground equipment sector. Through its international customer and employee base, the Group remains well placed to meet the growing demand for the Satcom and GNSS sectors and maintain its leading position in the Satellite TV sector.

#### **FY 2022 FINANCIAL REVIEW**

The decrease in revenue year on year of (\$8.7m) was driven by the legacy recovery of global supply chains, combined with increased raw material prices, has impacted our ability to fulfil demand.

Administrative expenses decreased to \$18.7m in FY2022 from \$18.8 million in FY2021 as a result of ongoing cost saving measures to streamline core functions offset by global economic price pressure on goods and services.

#### **DIVIDEND**

No dividend has been declared for FY2022 as a result of the operating conditions faced by the group.

#### **STRATEGIC DIRECTION AND OUTLOOK**

The group is focused on capturing more value in the satellite ground equipment segment and is pursuing this strategy by adding higher value products and solutions to its established and large portfolio of antennas and radio frequency electronic subsystems.

## Global Invacom Holdings Limited

### Group strategic report (continued) for the year ended 31 December 2022

The group once again continues its commitment to, and investment in, research and development programs with the successful completion of further product enhancements and improvements and progress with future developments. It continues to support and encourage the development of newly qualified, young engineers to ensure the continued development of its products well into the future. The group continues with its philosophy of working with others, be they customers, competitors, suppliers or others and sharing its innovations openly.

Due to the prevailing economic pressures on the business, the current financial year is expected to be challenging for the group. With supply chain and inflationary pressures forecast to ease in the financial year ending 31 December 2023. The group is focused on continuing to implement its operational restructuring and establishing the underlying foundations for long-term growth.

### SUSTAINABILITY

The Group has produced its sixth Sustainability Report, covering the period from 1 January 2022 to 31 December 2022 which details the Group's environmental, social and corporate governance practices. As a business, Global Invacom maintains its focus on promoting sustainable practices and operations. The Group has reviewed its policies for corporate governance and disclosure, risk management and internal control, code of business conduct, anti-bribery and corruption and customer privacy.

### APPRECIATION

Personally, and on behalf of the Board, I would like to express my sincere thanks to our employees, business partners, customers and shareholders for their loyalty and continued support during these challenging economic times. In light of the well-publicised trading obstacles, our team has continued to work tirelessly to ensure the Group is able to progress with its strategic priorities.

### Financial key performance indicators

#### i. Financial performance

The Group monitors the gross profit margin percentage as a key measure of financial performance to ascertain the effectiveness of the manufacturing elements of the business. This can be dependent upon the product mix from the various businesses and the introduction of new products. It will also reflect any significant variations from economical changes in the supply chain. It also pays particular attention to closely monitoring its performance in relation to cash, carrying out weekly, monthly and quarterly projections to ensure the on going viability of forecasts and past performance.

	Year ended 31 December 2022 \$000	Year ended 31 December 2021 \$000
Turnover	70,637	79,345
Gross profit margin (%)	19	19

## **Global Invacom Holdings Limited**

### **Group strategic report (continued) for the year ended 31 December 2022**

#### **ii. Financial position**

##### **CURRENT ASSETS**

Net current assets of \$5.4m as at 31 December 2021 have decreased by an amount of \$0.8m to \$4.6 million as at 31 December 2022.

##### **NON CURRENT ASSETS**

Non current assets have decreased to an amount of \$14.2 million from \$18.3 million in the prior year which is largely attributable to the amortisation and depreciation for the year exceeding the cost of additions.

##### **CASH POSITION**

Net cash has decreased by an amount of \$1.2m as at 31 December 2022.

##### **NON-FINANCIAL**

The Group recognizes the specialist nature of its products and constantly looks to build on its strong existing skill base through the recruitment and retention of highly skilled employees to cover both its existing and future products. Further, it recognizes that need to develop successors to these skills and continues its search for bright post graduate personnel that it can develop within the business especially within the key research & development and sales roles within the Group. As such, the Group monitors the movement of employee levels.

The Group places significance on maintaining good relationships with principal suppliers and customers and providing products with superior features. With this in mind, the Group continues to have regular communications with its customers to evaluate their future requirements and with its suppliers to take advantage of new developments in components and material solutions that will benefit our designs. The Group considers these actions to be a strong non financial performance indicator as it strengthens its offering to the market and bears testament to the quality of product and service provided. The Group also monitors the performance and retention of suppliers utilizing the skill set within the Group and also under the wider umbrella of Global Invacom Group Limited.

##### **Principal risks and uncertainties**

Exposure to credit, liquidity, market, interest rate and foreign currency risks arises in the normal course of the Group's operations. Information about the Group's financial risk management objectives and policies are provided in note 26.

##### **Business risk**

The Group is subject to risks inherent in a business which operates in the industry of designing new products for the reception and transmission of satellite signals. Due to the ever increasing complexity of such designs the Group is dependent on certain key personnel for the research and development of its products. The success of the Group will depend on its ability to attract and retain talented personnel in this field.

The Group has two major customers for a significant portion of its revenues. Despite winning orders for new products during the year under review if the Group were to lose these customers, its sales and financial performance would be adversely affected.

The Group may be subject to the risk of sourcing materials and components required for its business at reasonable prices or in sufficient quantities due to adverse conditions in countries out of the Group's control.

**Global Invacom Holdings Limited**

**Group strategic report (continued)  
for the year ended 31 December 2022**

**Principal risks and uncertainties**

**Section 172 (1) Statement – Directors' Statement of Compliance with Duty to Promote the Success of the Group**

Within this Strategic Review, the board of directors have addressed the requirements from s172 (1) (a) to (f) of the Companies Act 2006 for the year ended 31 December 2021.

The directors have acted in good faith to promote the success of the Group and these actions, which have been covered in this report, are summarized below :

**Long term success** – the directors have commented upon the focus for new product development and its relationships with key customers as well as its constant review of best manufacturing practices and locations.

**Stakeholders** – the directors consider key stakeholders to be the shareholders of the company, its employees, its customers and suppliers together with the world-wide community. During the Strategic report, the Board has addressed its approach to key customers and its continued relations with suppliers as well as outlining its approach to the retention of current talent and the recruitment of new skills.

**Principal decisions** – the directors use monthly reviews of business performance and key KPIs including cashflow monitoring to guide their decisions for the Group. They also carry out in depth quarterly business reviews which go beyond the solely financial results of the respective businesses, covering manufacturing, health & safety, employees, R&D and sales expectations.

The directors will continue to use these measures to best steer the Group going forward.

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



**G Blaikie**  
Director

Date: 20-09-23

## **Global Invacom Holdings 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.

#### **Information included in strategic report**

The review of the business, key performance indicators and details of principal risks and uncertainties are disclosed in the Strategic Report starting on page 3 of these financial statements.

#### **Directors**

The directors who served during the year were:

J S Parfitt

A B Taylor (resigned 9 December 2022)

G Blaikie (appointed 9 December 2022)

#### **Directors' responsibilities statement**

The directors are responsible for preparing the group strategic report, directors' report and the consolidated financial statements, in accordance with applicable law.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

#### **Indemnity provision for directors**

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

## **Global Invacom Holdings Limited**

### **Directors' report (continued) for the year ended 31 December 2022**

#### **Future developments**

The Group intends to build on the results for the year ended 31 December 2022 working closely with its customers to provide solutions and product improvements. It will review potential acquisition targets where it is perceived that this will add to the range of product and skills currently available. Due to the prevailing economic pressures on the business, the group is focused on continuing to implement its operational restructuring and establishing the underlying foundations for long-term growth.

#### **Dividends**

Dividends of \$Nil were paid in the year ended 31 December 2022 (2021: \$Nil).

#### **Research and development activities**

The Group has continued its programme of research and development to improve a number of its existing products and to develop new products for the future. More information on the research and development accounting policy is given in note 2 to the financial statements.

#### **Engagement with employees**

##### Communications

The Group values the input from all its employees and engages with employees through a wide range of channels.

At Group level, Head Office publishes the Quarterly Financial Statements and key announcements relating to growth opportunities to all employees. A Group-wide quarterly newsletter is distributed, and regular communications are shared through a private social media platform and the employee Intranet site.

At entity level, employees are encouraged to communicate ideas through regular department meetings, the performance appraisal system and are actively encouraged to engage with the senior management.

##### Disability Engagement

Disabled employees and applicants are protected under Global Invacom's Equality Policy. The policy clearly sets out our commitment to ensuring that all of our employees and applicants are protected from unlawful discrimination in employment.

Our Equality Policy includes our commitment to ensuring all disabled employees are protected from unlawful discrimination in relation to training opportunities, career development and promotion.

As an equal opportunity employer, we are committed to embedding equality and inclusion in all our practices and aim to establish an inclusive culture, that celebrates diversity, is free from discrimination and based on the values of dignity and respect.

As a global organisation we recognise and welcome our diversity and strive to create an environment where all different kinds of people can thrive and succeed.

**Global-Invacom Holdings Limited**

**Directors' report (continued)  
for the year ended 31 December 2022**

**Greenhouse gas emissions, energy consumption and energy efficiency action**

The Group's greenhouse gas emissions and energy consumption are as follows:

	2022	2021
Emissions resulting from activities for which the Group is responsible involving the combustion of gas or consumption of fuel for the purposes of transport (in tonnes of CO2 equivalent)	1,885	2,274
Emissions resulting from the purchase of the electricity by the Group for its own use, including the purposes of transport (in tonnes of CO2 equivalent)	1,910	2,578
Energy consumed from activities for which the Group is responsible involving the combustion of gas, or the consumption of fuel for the purposes of transport, and the annual quantity of energy consumed resulting from the purchase of electricity by the Group for its own use, including for the purposes of transport, in kWh	<u>17,113,741</u>	<u>19,215,092</u>

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per \$1,000 of revenues. This equates to \$0.05 (2021: \$0.06) for the year.

**Disclosure of information to auditors**

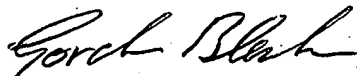
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are 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 and the Group's auditors are aware of that information.

**Auditors**

The auditors, Kreston Reeves LLP, 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.



**G Blaikie**  
Director

Date: 20-09-23

## **Global Invacom Holdings Limited**

### **Independent auditors' report to the members of Global Invacom Holdings Limited**

#### **Opinion**

We have audited the financial statements of Global Invacom Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the Company statement of financial position, the consolidated statement of cash flows, the Company statement of cash flows, the consolidated statement of changes in equity, the company statement of changes in equity and the related notes, including a summary of significant accounting policies set out on pages 24 - 33. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- the financial statements 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. 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 Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

## **Global Invacom Holdings Limited**

### **Independent auditors' report to the members of Global Invacom Holdings Limited (continued)**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. 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.

#### **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 group 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 group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 on page 7, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Independent auditors' report to the members of Global Invacom Holdings Limited (continued)**

**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 an auditors' 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:

*Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the group engagement team and component auditors included:

- detailed discussions were held with management to identify any known or suspected instances of non-compliance with laws and regulations; and
- further assessment of the group's compliance with laws and regulations was undertaken by ensuring the engagement team were made aware of the identified laws and regulations to ensure they remained alert to any indications of non-compliance; and
- assessment of identified fraud risk factors; and
- identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risk of material misstatement due to fraud; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax authorities; and
- review of internal controls and physical inspection of tangible assets and inventories susceptible to fraud or irregularity; and
- identifying and testing journal entries, in particular any manual entries made at the year end for the financial statement preparation; and
- confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud.

**Independent auditors' report to the members of Global Invacom Holdings Limited (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Group's and the parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Global Invacom Holdings Limited**

**Independent auditors' report to the members of Global Invacom Holdings Limited (continued)**

**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. 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 auditors' 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.

*Kreston Reeves LLP*

Michael Cook BA (Hons) FCA (senior statutory auditor)  
for and on behalf of  
**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
London  
Date: 21 September 2023

**Global Invacom Holdings Limited**

**Consolidated statement of profit or loss and other comprehensive income  
for the year ended 31 December 2022**

	Note	2022 \$000	2021 \$000
<b>Revenue</b>	5	70,637	79,345
<b>Cost of sales</b>		<u>(57,058)</u>	<u>(64,671)</u>
<b>Gross profit</b>		13,579	14,674
<b>Other operating income</b>		(125)	2,832
<b>Administrative expenses</b>		<u>(18,708)</u>	<u>(18,807)</u>
<b>Loss from operations</b>	6	(5,254)	(1,301)
<b>Finance income</b>	8	44	-
<b>Finance expense</b>	8	(1,122)	(1,033)
<b>Loss on disposal of associate</b>		-	(8)
<b>Loss before tax</b>		<u>(6,332)</u>	<u>(2,342)</u>
<b>Tax (expense)/credit</b>	9	(946)	587
<b>Loss for the year</b>		<u>(7,278)</u>	<u>(1,755)</u>
<b>Other comprehensive income:</b>			
<b>Items that will or may be reclassified to profit or loss:</b>			
Exchange gains arising on translation on foreign operations		(250)	(177)
<b>Total comprehensive income</b>		<u>(7,528)</u>	<u>(1,932)</u>

Total comprehensive income is attributable in full to the owners of the Parent Company.

All amounts relate to continuing operations.

The notes on pages 23 to 55 form part of these financial statements.

**Global Invacom Holdings Limited**  
**Registered number: 06743598**

**Consolidated statement of financial position**  
**as at 31 December 2022**

	Note	2022 \$000	2021 \$000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	10,191	12,866
Intangible assets	12	3,466	3,747
Deferred tax assets	9	585	1,780
		<u>14,242</u>	<u>18,393</u>
<b>Current assets</b>			
Inventories	17	22,243	24,729
Trade and other receivables	16	11,144	17,890
Cash and cash equivalents	18	7,720	8,939
		<u>41,107</u>	<u>51,558</u>
		<u>55,349</u>	<u>69,951</u>
<b>Total assets</b>			
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other liabilities	22	171	152
Loans and borrowings	26	1,568	2,989
Deferred tax liability	9	684	646
		<u>2,423</u>	<u>3,787</u>
<b>Current liabilities</b>			
Trade and other liabilities	22	33,672	39,099
Loans and borrowings	26	6,736	7,047
		<u>40,408</u>	<u>46,146</u>
		<u>42,831</u>	<u>49,933</u>
<b>Total liabilities</b>			
		<u>12,518</u>	<u>20,018</u>
<b>Net assets</b>			

**Global Invacom Holdings Limited**  
**Registered number: 06743598**

**Consolidated statement of financial position (continued)**  
**as at 31 December 2022**

	Note	2022 \$000	2021 \$000
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	19	48	48
Share premium reserve	19	3,937	3,937
Capital redemption reserve		682	655
Other reserves	21	(15,167)	(14,917)
Retained earnings		23,018	30,295
		<u>12,518</u>	<u>20,018</u>
<b>TOTAL EQUITY</b>		<u><b>12,518</b></u>	<u><b>20,018</b></u>

The financial statements on 4 to 55 were approved and authorised for issue by the board of directors and were signed on its behalf by:



**G Blaikie**  
Director

Date: 20-09-23

The notes on 23 to 55 form part of these financial statements.

**Global Invacom Holdings Limited**  
**Registered number: 06743598**

**Company statement of financial position**  
**as at 31 December 2022**

	Note	2022 \$000	2021 \$000
<b>Assets</b>			
<b>Non-current assets</b>			
Other non-current investments	15	28,012	28,012
Deferred tax assets	9	8	-
		<u>28,020</u>	<u>28,012</u>
<b>Current assets</b>			
Trade and other receivables	16	-	2
Cash and cash equivalents		191	231
		<u>191</u>	<u>233</u>
<b>Total assets</b>		<u>28,211</u>	<u>28,245</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other liabilities	22	20,879	21,171
		<u>20,879</u>	<u>21,171</u>
<b>Total liabilities</b>		<u>20,879</u>	<u>21,171</u>
<b>Net assets</b>		<u>7,332</u>	<u>7,074</u>
<b>Issued capital and reserves attributable to owners of the parent</b>			
Share capital	19	48	48
Share premium reserve	19	3,937	3,937
Other reserves		6	6
Retained earnings		3,341	3,083
<b>TOTAL EQUITY</b>		<u>7,332</u>	<u>7,074</u>

The financial statements on 4 to 55 were approved and authorised for issue by the board of directors and were signed on its behalf by:



**G Blaikie**  
 Director

Date: 20-09-23

The notes on 23 to 55 form part of these financial statements.

Global Invacom Holdings Limited

Consolidated statement of changes in equity  
for the year ended 31 December 2022

	Share capital \$000	Share premium \$000	Capital redemption reserve \$000	Other reserves \$000	Retained earnings \$000	Total attributable to equity holders of parent \$000	Total equity \$000
<b>At 1 January 2021</b>	48	3,937	655	(14,740)	32,051	21,951	21,951
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	(1,755)	(1,755)	(1,755)
Other comprehensive income	-	-	-	(177)	-	(177)	(177)
<b>Total comprehensive income for the year</b>	-	-	-	(177)	(1,755)	(1,932)	(1,932)
<b>At 31 December 2021</b>	<b>48</b>	<b>3,937</b>	<b>655</b>	<b>(14,917)</b>	<b>30,296</b>	<b>20,019</b>	<b>20,019</b>
<b>At 1 January 2022</b>	48	3,937	655	(14,917)	30,296	20,019	20,019
<b>Comprehensive income for the year</b>							
Loss for the year	-	-	-	-	(7,278)	(7,278)	(7,278)
Other comprehensive income	-	-	-	(250)	-	(250)	(250)
<b>Total comprehensive income for the year</b>	-	-	-	(250)	(7,278)	(7,528)	(7,528)
Shared based payments	-	-	27	-	-	27	27
<b>Total contributions by and distributions to owners</b>	-	-	27	-	-	27	27
<b>At 31 December 2022</b>	<b>48</b>	<b>3,937</b>	<b>682</b>	<b>(15,167)</b>	<b>23,018</b>	<b>12,518</b>	<b>12,518</b>

The notes on 23 to 55 form part of these financial statements.

**Global Invacom Holdings Limited**

**Company statement of changes in equity  
for the year ended 31 December 2022**

	Share capital \$000	Share premium \$000	Other reserves \$000	Retained earnings \$000	Total equity \$000
<b>At 1 January 2021</b>	48	3,937	6	3,696	7,687
<b>Loss for the year</b>					
Loss for the year	-	-	-	(613)	(613)
<b>Total comprehensive income for the year</b>	-	-	-	(613)	(613)
<b>Contributions by and distributions to owners</b>					
<b>At 31 December 2021</b>	<b>48</b>	<b>3,937</b>	<b>6</b>	<b>3,083</b>	<b>7,074</b>
<b>At 1 January 2022</b>	48	3,937	6	3,095	7,086
<b>Loss for the year</b>					
Loss for the year	-	-	-	246	246
<b>Total comprehensive income for the year</b>	-	-	-	246	246
<b>At 31 December 2022</b>	<b>48</b>	<b>3,937</b>	<b>6</b>	<b>3,341</b>	<b>7,332</b>

The notes on pages 23 to 55 form part of these financial statements.

**Global Invacom Holdings Limited**

**Consolidated statement of cash flows  
for the year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash flows from operating activities</b>		
Loss for the year	(7,278)	(1,755)
<b>Adjustments for</b>		
Depreciation of property, plant and equipment	3,091	3,322
Amortisation of intangible fixed assets	278	591
Impairment loss on other financial assets	-	8
Finance income	44	-
Finance expense	1,122	1,033
Gain on lease modifications	(125)	(67)
Gain on sale of property, plant and equipment	(306)	-
Write off trade receivables	140	-
Bad debts written back	-	(113)
Inventory provision movement	853	(712)
Share-based payment expense	27	-
Net foreign exchange loss	346	195
Income tax expense	946	(587)
	<u>(862)</u>	<u>1,915</u>
<b>Movements in working capital:</b>		
Decrease/(increase) in trade and other receivables	6,384	(5,335)
Decrease in inventories	1,633	2,314
(Decrease)/increase in trade and other payables	(5,703)	1,621
	<u>1,452</u>	<u>515</u>
<b>Cash generated from operations</b>	<b>1,452</b>	<b>515</b>
Income taxes paid	(119)	-
	<u>1,333</u>	<u>515</u>
<b>Net cash from operating activities</b>	<b>1,333</b>	<b>515</b>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	(459)	(1,063)
Interest received	(44)	-
Interest paid	(203)	(137)
	<u>(706)</u>	<u>(1,200)</u>
<b>Net cash used in investing activities</b>	<b>(706)</b>	<b>(1,200)</b>

**Global Invacom Holdings Limited**

**Consolidated statement of cash flows (continued)  
for the year ended 31 December 2022**

	2022 \$000	2021 \$000
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	35,801	34,764
Borrowings paid	(36,113)	(32,527)
Payment of lease liabilities	(1,533)	(1,721)
<b>Net cash (used in)/from financing activities</b>	<b>(1,845)</b>	<b>516</b>
<b>Net cash decrease in cash and cash equivalents</b>	<b>(1,218)</b>	<b>(169)</b>
Cash and cash equivalents at the beginning of year	8,939	9,122
Exchange gains/(loss) on cash and cash equivalents	-	(14)
<b>Cash and cash equivalents at the end of the year</b>	<b>7,721</b>	<b>8,939</b>

**Reconciliation of net cash flow to movement in net debt**

	Lease Liabilities \$'000	Borrowings \$'000	Total \$'000
Net debt as at 1 January 2022	4,456	21,545	26,001
Cash flows:			
Proceeds from borrowings	178	35,801	35,979
Repayment of borrowings	(1,533)	(36,113)	(37,646)
Interest payment	(165)	-	(165)
Accrued interest	165	490	655
Foreign exchange differences	(64)	(329)	(393)
<b>Net debt as at 31 December 2021</b>	<b>3,037</b>	<b>21,394</b>	<b>24,431</b>

The notes on pages 23 to 55 form part of these financial statements.

**Global Invacom Holdings Limited**

**Company statement of cash flows  
for the year ended 31 December 2022**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) for the year	(246)	613
<b>Adjustments for</b>		
Finance expense	665	548
Loss on disposal of associate	-	8
	<u>911</u>	<u>(57)</u>
<b>Movements in working capital:</b>		
Decrease in trade and other receivables	2	252
(Decrease)/increase in trade and other payables	(288)	21
	<u>625</u>	<u>216</u>
<b>Cash generated from operations</b>	<u>625</u>	<u>216</u>
<b>Net cash from operating activities</b>	<u>625</u>	<u>216</u>
<b>Cash flows from investing activities</b>		
Interest paid	(665)	-
	<u>(665)</u>	<u>-</u>
<b>Net cash (used in)/from investing activities</b>	<u>(665)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	-	9
	<u>-</u>	<u>9</u>
<b>Net cash from financing activities</b>	<u>-</u>	<u>9</u>
<b>Net cash (decrease)/increase in cash and cash equivalents</b>	<u>(40)</u>	<u>225</u>
Cash and cash equivalents at the beginning of year	231	6
<b>Cash and cash equivalents at the end of the year</b>	<u>191</u>	<u>231</u>

**Reconciliation of net cash flow to movement in net debt**

	<b>Borrowings</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>
Net debt as at 1 January 2022	21,079	21,079
<b>Cash flows:</b>		
Proceeds from borrowings	-	-
Repayment of borrowings	(730)	(730)
<b>Non cash movement:</b>		
Accrued interest	490	490
Foreign exchange differences	-	-
<b>Net debt as at 31 December 2021</b>	<u>20,839</u>	<u>20,839</u>

The notes on pages 23 to 55 form part of these financial statements.

## **Global Invacom Holdings Limited**

### **Notes to the consolidated financial statements for the year ended 31 December 2022**

#### **1. General information**

Global Invacom Holdings Limited was incorporated on 7 November 2008. The company is a private limited company, incorporated in England and Wales and domiciled in the UK. The company's registered and trading address is disclosed on the company information page. The company's principle activity is disclosed on page 3.

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

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

##### **2.1 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence or the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements are presented in Dollars and all values are rounded to the nearest thousand dollars (\$'000) except when otherwise stated.

##### **2.2 Business combinations**

Business combinations are accounted for using the purchase method which involves the recognition and measurement of the identifiable assets acquired, the liabilities assumed and any goodwill.

##### **2.3 Statement of compliance with IFRS**

These financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRS), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

##### **2.4 Financial assets and liabilities**

###### **a) Non-derivative financial assets**

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cashflows from the asset expire, or it transfers the rights to receive the contractual cashflows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**2. Accounting policies (continued)**

**2.4 Financial assets and liabilities (continued)**

**a) Non-derivative financial assets (continued)**

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

**The Group has the following non-derivative financial assets:**

**b) Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cashflows.

**c) Non-derivative financial liabilities**

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group has the following non-derivative financial liabilities: trade creditors, intercompany balances payable, accruals, other payables, related party borrowings & borrowings.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

**2.5 Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the financial statements.

**2.6 Changes in accounting policy and disclosure**

None of the upcoming changes to the IFRS standards are expected to materially impact the entity.

**2.7 Goodwill**

Goodwill recognised on the acquisition of a subsidiary undertaking in the period is measured at fair value less any impairment losses.

## Global Invacom Holdings Limited

### Notes to the consolidated financial statements for the year ended 31 December 2022

#### 2. Accounting policies (continued)

##### 2.8 Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and impairment. Depreciation is provided at rates calculated to write off the cost of property, plant and equipment, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	Over the life of the lease
Plant and equipment	-	At variable rates (20% - 33%) straight line
Motor Vehicles	-	25% straight line
Computer Equipment	-	At variable rates (33% - 50%) straight line
Land	-	Not depreciated
Freehold buildings	-	2% straight line
Construction in progress	-	Not depreciated as currently not available for use

##### 2.9 Foreign currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in US Dollars, which is the Group's presentation currency and the Company's functional currency.

Non-monetary assets and liabilities denominated in foreign currencies are translated to US Dollars at the exchange rate prevailing at the date of the initial transaction. Monetary assets, liabilities and commitments denominated in foreign currencies at the financial reporting date are reported at the rates of exchange at that date. Gains and losses from the retranslation of assets and liabilities are included in profit or loss for the year. For the purposes of these consolidated financial statements, liabilities and current assets are translated as follows:

For the purpose of preparing consolidated financial statements, the assets and liabilities of the Group's operations which have a functional currency other than US Dollars are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transaction are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

##### 2.10 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are determined on a first in first out basis and comprise purchase cost, cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The Group considers whether provision is required against obsolete or slow-moving inventories on an item by item basis, based on past experience and knowledge of the relevant part or product.

## **Global Invacom Holdings Limited**

### **Notes to the consolidated financial statements for the year ended 31 December 2022**

#### **2. Accounting policies (continued)**

##### **2.11 Revenue**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, net of discounts and value added tax and other sales taxes, and after eliminating sales within the Group. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and revenue can be reliably measured.

Revenue from sales of goods is recognised when the significant risks and rewards of ownership of the goods are transferred to the customer. Revenue is not recognised where there are significant uncertainties regarding recoverability of the consideration due, or the possible return of goods.

Interest receivable is recognised in the period in which it is earned.

##### **2.12 Employee benefits**

Wages, salaries, social security costs and contributions to pension schemes are accrued in the period in which the associated services are rendered by the employees of the Group.

The Group pays contributions to privately administered defined contribution pension plans for employees. The Group has no further payment obligation once the contributions have been paid. The contributions are recognised as employee expenses when the Group incurs the obligation.

Certain employees of the group participate in the Global Invacom Share Option Scheme 2013. Share options are measured at fair value, recognised as share-based payments and expensed in profit or loss, with a corresponding increase in equity. The fair values of equity-settled payments are measured at the dates of grant using option-pricing models, taking into account the terms and conditions upon which the awards are granted.

The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the Group's estimate of the number of awards which will be forfeited, either due to employees leaving the Group prior to vesting or due to non-market based performance conditions not being met. The total amount recognised in profit or loss as an expense is adjusted to reflect the actual number of awards that vest. In the event of a cancellation, whether by the Group or by a participating employee, the compensation expense that would have been recognised over the remainder of the vesting period is recognised immediately in profit or loss.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

##### **2.13 Share capital**

Ordinary shares are classified as equity. There are no other types of share capital.

Where the Company purchases and cancels its own equity share capital, the cost of those shares is deducted from issued share capital with a corresponding credit to a capital redemption reserve within shareholders equity and a deduction against retained earnings.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**2. Accounting policies (continued)**

**2.14 Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**2.15 Taxation**

The Group's liability for current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted at the financial reporting date.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that have been enacted or substantially enacted at the financial reporting date.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. Deferred tax is calculated at the rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax assets and liabilities are not discounted. Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income, in which case the deferred tax is also included within other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

**2.16 Research and development expenditure**

Research expenditure is recognised in operating expenses in profit or loss as the expenditure is incurred. Development expenditure (relating to the application of research knowledge to plan or design new or substantially improved products for sale or use within the business) is recognised as an intangible asset from the point at which it is probable that the Group has the ability to generate future economic benefits from the development expenditure, that the development is technically feasible and that the subsequent expenditure can be measured reliably. Any other development expenditure is recognised in operating expenses as incurred.

**2.17 Intangible assets**

**Capitalised development costs**

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are capitalised as intangible assets only when the following criteria are met: (i) it is technically feasible to complete the product so that it will be available for use; (ii) the directors intend to complete the product and use it; (iii) there is an ability to use the product; (iv) it can be demonstrated how the product will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and use the product are available; and (vi) the expenditure attributable to the product during its development can be measured reliably.

Directly attributable costs that are capitalised include relevant employee costs. Capitalised development costs are amortised on a straight line basis over a period of five years from the date that the product is brought into first use. The directors consider that five years represents the usual period over which the main benefits of a new product are gained by the Group.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**2. Accounting policies (continued)**

**2.17 Intangible assets (continued)**

Intellectual property rights

Patents granted are amortised on a straight line basis over a ten year period from the date on which the patent is granted.

**2.18 Impairment**

At each financial reporting date, the Group reviews the carrying amounts of all its assets to determine whether there is any indication that any of those assets have suffered an impairment loss. An impairment is recognised in profit or loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to those units, and then to reduce the carrying amount of other assets in the unit on a pro-rata basis.

An impairment loss for an individual asset or cash generating unit shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**2.19 Trade payables**

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

**2.20 Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

All receivables are regularly reviewed and a provision for impairment of trade receivables is established when there is objective evidence that all amounts may not be collectible according to the original terms of the sales transaction. Bad debts are written off as incurred.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**2. Accounting policies (continued)**

**2.21 Share-based payments**

**(i) Share-based payment transactions of the Company**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

**(ii) Share-based payment transactions of the acquiree in a business combination**

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**2. Accounting policies (continued)**

**2.22 Provisions**

Provisions are recognised when the Group has a probable, present legal or constructive obligation to make a transfer of economic benefits as a result of past events where a reliable estimate is available. The amounts recognised represent the Group's best estimate of the transfer of benefits that will be required to settle the obligation as of the financial reporting date.

Provisions are discounted if the time value of money is material using a pre-tax market rate adjusted for risks specific to the liability.

**2.23 Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term deposits held by the group. The carrying amount of these assets approximates their fair value.

**2.24 Financial instruments**

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**2.25 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**2.26 Financial liabilities and equity instruments**

**(i) Classification as debt or equity**

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**(ii) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**2. Accounting policies (continued)**

**2.26 Financial liabilities and equity instruments (continued)**

**(iii) Compound instruments**

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium/other equity (describe). When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits/other equity (describe). No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**2. Accounting policies (continued)**

**2.26 Financial liabilities and equity instruments (continued)**

**(iv) Financial liabilities**

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group has the following non-derivative financial liabilities: trade creditors, intercompany balances payable, accruals, other payables, related party borrowings and borrowings.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

**3. Functional and presentation currency**

These consolidated financial statements are presented in US dollars, which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**4. Accounting estimates and judgements**

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are set out below:

**i. Inventories**

Judgement is required in determining whether there is any provision against slow-moving or obsolete items. This involves evaluating the likelihood of the further sales of particular stock items.

**ii. Taxation**

The Group's tax charge is the sum of the total current and deferred tax charges. The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

The key area of judgement in respect of deferred tax accounting is the assessment of the expected timing and manner of realisation or settlement of the carrying amounts of assets and liabilities held at the financial reporting date.

**iii. Intangible assets**

The Group has determined the amounts of development expenditure to be recognised as intangible assets at each reporting date. In making their judgement, the directors have considered the progress of each project and whether there is sufficient certainty that the product under development will be economically viable and that economic benefits will flow to the Group.

**iv. Goodwill**

Impairment of goodwill: Goodwill arising from acquisition of subsidiaries is tested for impairment at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which the goodwill is allocated. Estimating the value in use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

**v. Share based payments**

The fair value is recognised over the period during which employees become unconditionally entitled to the awards, subject to the directors estimate of the number of awards which will be forfeited, either due to employees leaving the Group prior to vesting or due to non-market based performance conditions not being met.

**vi. Fair value of assets acquired on business combination**

On business combination, the directors make a fair value assessment of the tangible and intangible fixed assets acquired. For tangible fixed assets, this includes a review of the assets acquired considering both the directors' knowledge of the industry assets and also selling prices in the live market. For intangible assets acquired, the directors assess the fair value using a discounted cash flow model, considering whether there is sufficient certainty that the product under development will be economically viable and that economic benefits will flow to the Group.

## Global Invacom Holdings Limited

### Notes to the consolidated financial statements for the year ended 31 December 2022

#### 5. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	2022 \$000	2021 \$000
Sale of goods	<u>70,637</u>	<u>79,345</u>

Analysis of revenue by country of destination:

	2022 \$000	2021 \$000
United Kingdom	17,333	20,973
Rest of Europe	2,105	6,285
Rest of the world	49,241	49,929
Asia	1,958	2,158
	<u>70,637</u>	<u>79,345</u>

#### 6. Operating profit

Operating profit is stated after charging the following:

	2022 \$000	2021 \$000
Cost of inventories recognised as an expense	57,058	64,477
Depreciation of property, plant and equipment	2,960	3,322
Amortisation of intangible expenses	298	591
Auditors remuneration - Statutory audit	177	128
Research and development expense	<u>3,710</u>	<u>3,837</u>

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**7. Employee benefits and key management compensation**

**Group**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Wages and salaries	13,201	16,496
National insurance	609	660
Defined contribution pension cost	214	292
Social security contributions and similar taxes	392	526
	<u>14,416</u>	<u>17,974</u>

During the year ended 31 December 2022, \$712 thousand of employee benefits were recharged to Global Invacom Group Ltd (2021: \$534 thousand).

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Design and administration	<u>302</u>	<u>294</u>

**Directors' remuneration:**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Emoluments	528	503
Other long term benefits (defined contribution pension scheme)	15	14
Social security	94	62
	<u>637</u>	<u>579</u>

Information regarding the highest paid director is as follows;

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Emoluments	410	322
Other long term benefits (defined contribution pension scheme)	3	6
Social security	60	41
	<u>473</u>	<u>369</u>

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**8. Interest receivable and interest payable**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Interest receivable	<u>44</u>	<u>-</u>
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Interest payable	<u>1,122</u>	<u>1,033</u>

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**9. Tax expense**

**9.1 Income tax recognised in profit or loss**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current tax</b>		
Current tax on profits for the year	(20)	(91)
<b>Total current tax</b>	<u>(20)</u>	<u>(91)</u>
<b>Deferred tax expense</b>		
Origination and reversal of timing differences	966	(496)
<b>Total deferred tax</b>	<u>966</u>	<u>(496)</u>
<b>Tax expense excluding tax on sale of discontinued operation and share of tax of equity accounted associates and joint ventures</b>	<u>946</u>	<u>(587)</u>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Loss for the year	(7,278)	(1,756)
Income tax credit/expense (including income tax on associate, joint venture and discontinued operations)	946	(587)
<b>Loss before income taxes</b>	<u>(6,332)</u>	<u>(2,343)</u>
Tax using the Company's domestic tax rate of 19% (2021:19%)	(1,203)	(445)
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	273	(45)
Non-taxable income	(188)	-
Tax rate changes	(74)	-
Effects of group relief/other reliefs	1,141	-
Other tax adjustments	8	-
Non-reclaimable tax	160	-
Research and development credits	(44)	-
Derecognition of deferred tax assets relating to tax losses	1,345	-
(Over)/Under provision of income tax and deferred tax in prior years	(379)	-
Other differences leading to an increase/(decrease) in the tax charge	(93)	(97)
<b>Total tax expense</b>	<u>946</u>	<u>(587)</u>

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**9. Tax expense (Continued)**

**9.2 Deferred taxation liability:**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Opening liability	646	633
Impact of timing differences	(31)	-
Deferred taxation charge for the year	43	(427)
Effect of foreign translation	25	441
<b>Closing liability</b>	<b>683</b>	<b>647</b>
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Fixed asset timing differences	251	282
Short term timing differences	432	365
	<b>683</b>	<b>647</b>

**9.3 Deferred taxation asset:**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Opening Asset	1,780	1,363
Deferred tax assets derecognised	(1,345)	-
Deferred taxation charge for the year	149	69
Effect of foreign translation	1	348
<b>Closing Asset</b>	<b>585</b>	<b>1,780</b>
	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Fixed asset timing differences	410	(515)
Losses carried forward for utilisation in future periods	175	2,295
	<b>585</b>	<b>1,780</b>

No deferred tax asset has been recognised for losses carried forward of the Company's subsidiary Global Skyware Limited totalling \$1.8 million (2021: \$1.6 million).

**10. Parent company profit for the year**

The company has taken the advantage of the exemption allowed under section 408 of the Company's Act 2006 and has not presented its own statement of comprehensive income in the financial statements. The loss after tax of the parent company for the year was \$246k (2021: \$613k).

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**11. Dividend**

During the year, interim dividends of £Nil (2021: £Nil) were declared on ordinary share capital.

**12. Intangible assets**

**Group**

	<b>Goodwill \$000</b>	<b>Intellectual property rights \$000</b>	<b>Capitalised development costs \$000</b>	<b>Total \$000</b>
<b>Cost</b>				
At 1 January 2021	2,049	2,396	5,112	9,557
<b>At 31 December 2021</b>	<b>2,049</b>	<b>2,396</b>	<b>5,112</b>	<b>9,557</b>
Additions	-	-	17	17
Foreign exchange movement	-	120	(1,523)	(1,403)
<b>At 31 December 2022</b>	<b>2,049</b>	<b>2,516</b>	<b>3,606</b>	<b>8,171</b>
<b>Accumulated amortisation and impairment</b>				
At 1 January 2021	-	700	4,518	5,218
Charge for the year	-	65	528	593
<b>At 31 December 2021</b>	<b>-</b>	<b>765</b>	<b>5,046</b>	<b>5,811</b>
Charge for the year	-	229	69	298
Foreign exchange movement	-	120	(1,523)	(1,403)
<b>At 31 December 2022</b>	<b>-</b>	<b>1,114</b>	<b>3,592</b>	<b>4,706</b>
<b>Net book value</b>				
At 1 January 2021	2,049	1,696	594	4,339
<b>At 31 December 2021</b>	<b>2,049</b>	<b>1,631</b>	<b>66</b>	<b>3,746</b>
<b>At 31 December 2022</b>	<b>2,049</b>	<b>1,402</b>	<b>14</b>	<b>3,465</b>

## Global Invacom Holdings Limited

### Notes to the consolidated financial statements for the year ended 31 December 2022

#### 13. Goodwill

##### Group

	2022 \$000	2021 \$000
<b>Cost</b>		
A 1 January 2021 and 2022	2,049	2,049
<b>At 31 December 2021 and 2022</b>	<b>2,049</b>	<b>2,049</b>

#### 13.1 Allocation of goodwill to cash generating units

Goodwill is allocated to the Group's cash generating unit as follows:

	2022 \$000	2021 \$000
OnePath Networks Limited	893	893
Satellite Acquisition Incorporation	1,156	1,156
	<b>2,049</b>	<b>2,049</b>

##### OnePath Networks Limited

On acquisition of subsidiary OnePath Networks Limited, \$893 Thousand was recognised as Goodwill there were no impairment indicators in the year.

##### Satellite Acquisition Incorporation

On acquisition of subsidiary Satellite Acquisition Incorporation, \$1,156 Thousand was recognised as Goodwill, there were no impairment indicators in the year.

Global Invacom Holdings Limited

Notes to the consolidated financial statements  
for the year ended 31 December 2022

14. Property, plant and equipment

Group

	Freehold property \$000	Long-term leasehold property \$000	Plant and machinery \$000	Motor vehicles \$000	Construct'n in progress \$000	Computer equipment \$000	Right of use asset \$000	Total \$000
<b>Cost</b>								
At 1 January 2021	2,883	1,365	17,080	40	370	7,395	8,791	37,924
Additions	-	97	814	-	-	152	147	1,210
Disposals	(12)	(116)	(527)	-	-	-	(546)	(1,201)
Transfers between classes	-	-	370	-	(370)	-	-	-
Foreign exchange movements	-	-	-	-	-	-	(15)	(15)
<b>At 31 December 2021</b>	<b>2,871</b>	<b>1,346</b>	<b>17,737</b>	<b>40</b>	<b>-</b>	<b>7,547</b>	<b>8,377</b>	<b>37,918</b>
Additions	-	31	263	-	68	17	196	575
Disposals	-	-	(51)	-	-	-	(208)	(259)
Foreign exchange movements	(704)	3,459	(1,022)	72	183	2,937	(1,159)	3,766
<b>At 31 December 2022</b>	<b>2,167</b>	<b>4,836</b>	<b>16,927</b>	<b>112</b>	<b>251</b>	<b>10,501</b>	<b>7,206</b>	<b>42,000</b>

Global Invacom Holdings Limited

Notes to the consolidated financial statements  
for the year ended 31 December 2022

14. Property, plant and equipment (continued)

	Freehold property \$000	Long-term leasehold property \$000	Plant and machinery \$000	Motor vehicles \$000	Construct'n in progress \$000	Computer equipment \$000	Right of use asset \$000	Total \$000
<b>Accumulated depreciation and impairment</b>								
At 1 January 2021	925	1,049	10,693	40	-	6,838	3,075	22,620
Charge for the year	-	80	1,541	-	-	219	1,482	3,322
Disposals	(12)	(116)	(527)	-	-	-	(218)	(873)
Exchange adjustments	44	71	(9)	-	-	(10)	(113)	(17)
<b>At 31 December 2021</b>	<b>957</b>	<b>1,084</b>	<b>11,698</b>	<b>40</b>	<b>-</b>	<b>7,047</b>	<b>4,226</b>	<b>25,052</b>
Charge for the year	33	318	1,010	3	-	228	1,368	2,960
Disposals	-	-	-	-	-	-	(208)	(208)
Impairment charge	-	-	281	-	-	-	-	281
Exchange adjustments	(692)	1,781	645	67	-	3,049	(1,125)	3,725
<b>At 31 December 2022</b>	<b>298</b>	<b>3,183</b>	<b>13,634</b>	<b>110</b>	<b>-</b>	<b>10,324</b>	<b>4,261</b>	<b>31,810</b>
<b>Net book value</b>								
At 1 January 2021	1,958	316	6,387	-	370	557	5,716	15,304
At 31 December 2021	1,914	262	6,039	-	-	500	4,151	12,866
At 31 December 2022	1,869	1,653	3,293	2	251	177	2,945	10,190

## Global Invacom Holdings Limited

### Notes to the consolidated financial statements for the year ended 31 December 2022

#### 15. Investments - Parent company

	Shares in Group undertakings \$'000	Unlisted equity securities \$'000	Total \$'000
<b>Cost and net book value</b>			
At 31 December 2021	28,012	-	28,020
Disposal	-	-	-
At 31 December 2022	28,012	-	28,012
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cost and net book value</b>			
At 31 December 2020	28,012	8	28,020
Disposal	-	(8)	(8)
At 31 December 2021	28,012	-	28,012

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding
Global Invacom Limited	UK	Ordinary	100%
Invacom Limited	UK	Ordinary	100%
Invacom Holdings Limited	UK	Ordinary	100%
Invacom Systems Limited	UK	Ordinary	100%
Global Skyware Limited	UK	Ordinary	100%
The Waveguide Solution Limited	UK	Ordinary	100%
Global Invacom Manufacturing (UK) Limited	UK	Ordinary	100%
OnePath Networks Limited	Israel	Ordinary	100%
OnePath Networks Inc	USA	Ordinary	100%
Foxcom Fiber Optics (PTY) Limited	SA	Ordinary	100%
Satellite Acquisition Corporation	USA	Ordinary	100%
Raven Antenna System, Inc and Subsidiaries	UK	Ordinary	100%
Raven UK Holdings Limited	UK	Ordinary	100%
Raven Group Limited	UK	Ordinary	100%
ASC Signal Consulting Services Co Ltd	Japan	Ordinary	100%

The principal activity of the above companies is the design and manufacture of products for the reception, transmission and distribution of signals via satellite. All entities within the Group have co-terminus period ends.

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**16. Trade and other receivables**

**Group**

	<b>2022</b>	2021
	<b>\$000</b>	\$000
Trade receivables	9,713	12,779
<b>Trade receivables - net</b>	<b>9,713</b>	<b>12,779</b>
Receivables from related parties	525	582
<b>Total financial assets other than cash and cash equivalents classified as loans and receivables</b>	<b>10,238</b>	<b>13,361</b>
Prepayments and accrued income	696	733
Other receivables	210	3,796
<b>Total trade and other receivables</b>	<b>11,144</b>	<b>17,890</b>
Less: current portion - trade receivables	(9,713)	(12,779)
Less: current portion - prepayments and accrued income	(696)	(733)
Less: current portion - other receivables	(210)	(3,796)
Less: current portion - receivables from related parties	(525)	(582)
<b>Total current portion</b>	<b>(11,144)</b>	<b>(17,890)</b>
<b>Total non-current portion</b>	<b>-</b>	<b>-</b>

The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

Amounts receivable from customer are non-interest bearing and are generally on 30 day terms. The Group considers the credit quality of these trade receivables to be good. The ageing of the group's trade receivables which are over due by 60 days or more but not impaired are as follows: \$Nil (2021: \$Nil).

**Company**

	<b>2022</b>	2021
	<b>\$000</b>	\$000
Other receivables	-	2
	-	2

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**17. Inventories**

**Group**

	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>
Raw materials	<b>9,932</b>	10,436
Work in progress	<b>2,005</b>	1,987
Finished goods	<b>10,306</b>	12,306
<b>Total inventories</b>	<b>22,243</b>	<b>24,729</b>
		<b>2022</b>
		<b>\$000</b>
<b>Stock provision</b>		
As at 1 January 2021		<b>979</b>
Additional provision		<b>1,196</b>
		<b>2,175</b>

**18. Cash and cash equivalents**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Bank balances and cash	<b>7,720</b>	8,939	<b>191</b>	231

The Group has issued a debenture over the Group's assets to its bankers in connection with an agreed bank overdraft facility of £2,500 thousand, equivalent to \$3,105 thousand at 31 December 2022 (2021: £2,500 thousand, equivalent to \$3,376 thousand).

The Group has a duty deterrent guarantee in place with HMRC and Lloyds Bank PLC for £500 thousand, equivalent to \$603 thousand at 31 December 2022 (2021: £500 thousand, equivalent to \$675 thousand).

Upon extinguishing its previous line of credit on 1 May 2017, Raven Antenna Systems entered into a line of credit agreement with a new bank with available borrowings of \$7,000 thousand extended into 2023. Borrowings for revolving advance are limited to specific assets as collateral, 85% if eligible accounts receivable and up to 65% of eligible inventory.

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**19. Share capital and share premium**

	Number of shares	Share capital \$'000	Share premium \$'000
At 31 December 2021 and 31 December 2022	329,942	48	3,937

All share capital is classified as equity. Where any group entity purchases the Group's equity share capital, the consideration paid is deducted from equity attributable to the Group's equity shareholders.

The authorised share capital of the Company at 31 December 2022 was £1,000 thousand divided into 10,000,000 ordinary shares of £0.10 each.

**20. Share based payments**

Pursuant to a resolution passed in the extraordinary general meeting of Global Invacom Group Limited ("GIGL") held on 17 September 2013, the Global Invacom Share Option Scheme 2013 (hereinafter referred to as the "2013 Scheme") was established whereby it may grant options to executive directors, non-executive directors (including independent directors) and full-time employees of the Group who have contributed significantly to the success and development of GIGL to subscribe for shares of GIGL. The 2013 Scheme replaced and therefore terminated the original Global Invacom Group Employees' Share Option Scheme of the Group which was established on 15 June 2012 (the "2012 Scheme") and Enterprise Management Incentive share option scheme (the "EMI Scheme"). No expense (2021 : No expense) has been included in administrative expenses for the year ended 31 December 2022 with a corresponding equity contribution from GIGL.

Details of the scheme are as follows:

**2013 Scheme**

The maximum number of shares in respect of which options may be granted when added to the number of shares issued and issuable in respect of all options granted under this scheme shall not exceed 10% of the issued share capital of GIGL. Each employee share option converts into one ordinary share of Global Invacom Group Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

No share options were exercised during the current reporting period.

Grant date	9 March 2016	22 June 2015	7 July 2013	21 August 2013
Share price	S\$0.117	S\$0.311	S\$0.161	S\$0.191
Exercise price	S\$0.120	S\$0.311	S\$0.170	S\$0.200
Expected volatility	51%	43%	90%	90%
Option life (years)	5.00	2.00	6.85	6.86
Dividend yield	4.40%	1.60%	2.50%	2.50%
Risk-free interest rate	1.72%	1.05%	2.43%	2.29%

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**21. Share based payments (Continued)**

The following table lists the movements in the weighted average values as follows:

	Number of options '000	Weighted average exercise prices S\$
Brought forward at 1 January 2022	11,170	0.239
Granted	-	-
Lapsed	-	-
Outstanding at 31 December 2022	<u>11,170</u>	<u>0.239</u>

Weighted average remaining contractual life: 2.13 years (2021: 3.13 years).

01.01.21 '000	Granted '000	Exercised /lapsed '000	31.12.21 '000	Granted '000	Exercised /lapsed '000	31.12.22 '000	Exercise price	Exercise period
1,415	-	-	1,415	-	-	1,415	S\$0.17	7 July 2016 to 6 July 2023
1,415	-	-	1,415	-	-	1,415	S\$0.17	7 July 2016 to 6 July 2023
-	-	-	-	-	-	-	S\$0.20	21 August 2016 to 20 August 2023
-	-	-	-	-	-	-	S\$0.20	21 August 2017 to 20 August 2023
3,120	-	-	3,120	-	-	3,120	S\$0.311	22 June 2016 to 21 June 2025
3,120	-	-	3,120	-	-	3,120	S\$0.311	22 June 2017 to 21 June 2025
1,050	-	-	1,050	-	-	1,050	S\$0.120	9 March 2018 to 8 March 2026
1,050	-	-	1,050	-	-	1,050	S\$0.120	9 March 2019 to 8 March 2026
<u>11,170</u>	<u>-</u>	<u>-</u>	<u>11,170</u>	<u>-</u>	<u>-</u>	<u>11,170</u>		

## Global Invacom Holdings Limited

### Notes to the consolidated financial statements for the year ended 31 December 2022

#### 21. Reserves

	Merger reserve	Equity Contribut'n reserve	Translation reserve	Total
	\$'000	\$'000	\$'000	\$'000
At 31 December 2021	(14,215)	6	(531)	(14,740)
Foreign exchange of translation of foreign subsidiary	-	-	(177)	(177)
As at 31 December 2021	(14,215)	6	(708)	(14,917)
Foreign exchange on translation of foreign subsidiary	-	-	(250)	(250)
As at 31 December 2022	(14,215)	6	(958)	(15,167)

#### Merger reserve

The Company was incorporated on 7 November 2008 and on 23 February 2009 a management buyout took place of Global Invacom Limited whereby the entire issued share capital in Global Invacom Limited was transferred to Global Invacom Holdings Limited. Other share related transactions with entities in the Group prior to the restructuring taking place, have also been reflected in the merger reserve. On 1 January 2017, Satellite Acquisition Corporation was acquired by the Company. The consideration of \$8,752k was paid in loan notes. No goodwill arose as a result of this transaction. The combination was accounted for using merger accounting.

#### Equity Contribution

The equity contribution reserve represents shareholders' unencumbered ownership interest.

#### 22. Trade and other payables

##### Group

	2022 \$000	2021 \$000
Trade payables	9,871	13,991
Payables to related parties	21,394	21,397
Other payables	130	1,023
Accruals	2,205	2,438
<b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b>	<b>33,600</b>	<b>38,849</b>
Other payable - tax and social security payments	241	404
<b>Total trade and other payables</b>	<b>33,841</b>	<b>39,253</b>
Less: current portion - trade payables	(9,871)	(13,991)
Less: current portion - payables to related parties	(21,394)	(21,397)
Less: current portion - other payables	(371)	(1,427)
Less: current portion - accruals	(2,035)	(2,285)
<b>Total current portion</b>	<b>(33,671)</b>	<b>(39,100)</b>
<b>Total non-current position</b>	<b>171</b>	<b>152</b>

## Global Invacom Holdings Limited

### Notes to the consolidated financial statements for the year ended 31 December 2022

#### 22. Trade and other payables (Continued)

The group entered into a revolving credit agreement with Lloyds Bank Plc on 28 August 2020. As at 31 December 2022, the group had drawn down \$3,000 thousand of its revolving credit facility limit of \$6,000 thousand. The facility has a maturity date in June 2024 and is secured by a composite guarantee for each subsidiary of Global Invacom Holdings Limited. During the current reporting period the group had a technical breach of its banking covenants because its did not meet two of the covenant test (Ratio of EBIT to Interest and Leverage or net borrowings to EBITDA). The impact of this breach is that the group is unable to draw down the additional \$3,000 thousand of its revolving credit facility without prior approval of the bank.

#### Company

	2022 \$000	2021 \$000
Amounts due to related parties	20,839	21,079
Trade payables	-	10
Other payables	-	2
Accruals	40	80
	<u>20,879</u>	<u>21,171</u>

#### 23. Foreign exchange derivative instruments

From time to time the Group enters into forward foreign exchange contracts to sell US Dollars and to purchase Sterling in order to pay UK overheads. There were no such contracts in place during the year ended 31 December 2022 or the year ended 31 December 2021.

#### 24. Related party transactions

	Group 2022 \$000	Group 2021 \$000	Company 2022 \$000	Company 2021 \$000
<b>Current liabilities</b>				
Borrowing due to Global Invacom Limited	-	-	5,630	6,035
Borrowings due to GIGL	15,729	15,965	15,209	15,044
Amounts due to GIGL group	5,665	5,432	-	-
	<u>21,394</u>	<u>21,397</u>	<u>20,839</u>	<u>21,079</u>

## Global Invacom Holdings Limited

### Notes to the consolidated financial statements for the year ended 31 December 2022

#### 24. Related Party transactions (Continued)

##### a) Substantial shareholders and directors

Each of the directors reported below holds shares in Global Invacom Group Limited ("GIGL"), the company's immediate and ultimate parent undertaking and are directors of the Company and GIGL at 31 December 2022:

*Anthony B Taylor (resigned 9 December 2022)*

They have spent a proportion of their time on GIGL matters, which has not been recharged.

The director reported below holds GIGL shares and is a director of the Company at 31 December 2022:

*John S Parfitt*

##### b) Expenses incurred – Global Invacom Group Limited

The Group incurred expenses on behalf of its parent Global Invacom Group Limited (and its Asia subsidiaries) during the year ended 31 December 2022 of \$712 thousand (2021: \$534 thousand).

##### c) Loan payable to Group subsidiaries

Between Global Skyware Limited and Global Invacom Limited

The management of the Company arranged for a subsidiary, Global Invacom Limited (GIL), to provide non-interest bearing loans to Global Skyware Limited (GSL), another subsidiary of the Company. The amount drawdown by GSL at 31 December 2022 was \$5,823 thousand (2021: \$3,214 thousand). The original agreements are for a term of five years from the date of draw down and the 2016 agreements are for two years, with the balance payable in full at the end of the term or on demand by GIL. No repayment was received by GIL from GSL during the year ended 31 December 2022 (2021: £Nil).

Between the Company and Global Invacom Limited

As at the year end, the company owed a balance of \$5,630 thousand (2021: \$6,035 thousand) to Global Invacom Limited with a net amount of £405 thousand being repaid during the year (2021: £1,013 thousand being loaned). The loan is unsecured, interest free and repayable on demand.

##### d) Loan from parent company to Global Invacom Holdings Limited

On 10 November 2014, GIGL advanced a loan to GIHL of \$3,500 thousand, repayable on demand. The loan was advanced regarding the acquisition of 100% subsidiary OnePath Networks Limited. As at 31 December 2021, total repayment of the loan was \$3,250 thousand. The loan bears interest at the Bank of England base rate plus 4% and at 31 December 2021 interest of \$1,048 thousand had accrued (2021: \$990 thousand).

##### e) Second Loan Note issued from parent company to Global Invacom Holdings Limited

On 1 January 2017, GIGL advanced a loan to GIHL of \$8,774 thousand repayable on demand. The loan was advanced regarding the acquisition of Satellite Acquisition Corporation. The loan bears interest at the Bank of England base rate plus 4.25% and at 31 December 2022 interest of \$2,886 thousand had accrued (2021: \$2,280 thousand).

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**25. Financial risk management**

Exposure to credit, liquidity, market, interest rate and foreign currency risks arises in the normal course of the Group's operations. These risks are limited by the Group's financial management policies and practices described below:

**a) Credit risk**

All customers who wish to trade on credit are subject to credit verification checks. Customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised. The Group has a specialist credit insurance policy in place to mitigate losses, by default of payment, on key client balances. The major customer is insured to a maximum loss of \$6.4 million. As a percentage, overdue debts represented 18% of trade receivables (8% at 31 December 2021).

**b) Liquidity risk**

The directors have the responsibility of liquidity risk management. The directors monitor and maintain a level of bank and cash balances deemed adequate to mitigate the effects of fluctuations in cash flows.

The directors monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its banking facilities at all times. Surplus funds held over that required for working capital purposes are placed on short term deposit.

The Group's financial liabilities all mature within one year.

**c) Market risk**

The Group's main exposure to risk is through foreign currency exchange rates. The Group enters into forward foreign exchange contracts when considered necessary but does not enter into any other derivative financial instruments.

**d) Interest rate risk**

The Group's interest rate exposure is not considered to be material as its borrowings are at fixed rates of interest at the financial reporting date and while there is an element of sensitivity to interest receivable on surplus funds, this is not significant to the Group's risk profile.

**e) Foreign currency risk**

The Group transacts the majority of its business in US Dollars. Foreign exchange risk arises from the need to purchase Sterling forward to pay UK overheads. The Group manages this risk by selling Dollars forward where considered necessary.

The table below analyses the Group's working capital by currency:

Notes to the consolidated financial statements  
for the year ended 31 December 2022

25. Financial risk management (Continued)

As at 31 December 2022	US Dollars \$'000	Sterling \$'000	Euros \$'000	Other \$'000	Total \$'000
Inventories	22,243	-	-	-	22,243
Trade receivables, other receivables and prepayments	8,071	2,836	-	237	11,144
Trade and other payables	(10,256)	(23,305)	-	(40)	(33,601)
Borrowings	(7,593)	(712)	-	-	(8,305)
Tax payable (net)	2	(433)	-	-	(431)
Cash and cash equivalents	6,695	709	-	316	7,720
	<u>19,162</u>	<u>(20,905)</u>	<u>-</u>	<u>513</u>	<u>(1,230)</u>
As at 31 December 2021	US Dollars \$'000	Sterling \$'000	Euros \$'000	Other \$'000	Total \$'000
Inventories	24,729	-	-	-	24,729
Trade receivables, other receivables and prepayments	13,578	3,696	-	616	17,890
Trade and other payables	(34,929)	(3,842)	-	(78)	(38,849)
Borrowings	(8,898)	(1,138)	-	-	(10,036)
Tax payable (net)	-	(404)	-	-	(404)
Cash and cash equivalents	9,695	(803)	-	47	8,939
	<u>4,175</u>	<u>(2,491)</u>	<u>-</u>	<u>585</u>	<u>2,269</u>

f) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. At present the Group has obtained funding from related parties to fund acquisitions and further development. In order to maintain its capital structure the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, repay borrowings or issue new shares. The Group regards share capital and reserves as capital. There were no changes to the objectives, policies or processes during the year ended 31 December 2022 and year ended 31 December 2021.

g) Financial instruments

Depending on their classification financial instruments are carried at fair value or amortised cost as described below.

Fair value is the amount for which the asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is the current bid price for financial assets and current asking price for financial liabilities that are quoted in an active market. The Group is not involved currently in any other derivative financial instrument transactions.

Amortised cost is the amount at which the financial instrument was recognised at initial recognition less any principal repayments and, for financial assets, less any write-down for incurred impairment losses.

There were no financial instruments that are measured at fair value on a recurring basis during 2021 or 2022.

## Global Invacom Holdings Limited

### Notes to the consolidated financial statements for the year ended 31 December 2022

#### 26. Loans and borrowings

##### Group

	2022 \$000	2021 \$000
<b>Non-current</b>		
Lease liabilities	1,568	2,989
	<u>1,568</u>	<u>2,989</u>
<b>Current</b>		
Bank loans - secured	5,268	5,580
Lease liabilities	1,468	1,467
	<u>6,736</u>	<u>7,047</u>
<b>Total loans and borrowings</b>	<u>8,304</u>	<u>10,036</u>

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

Raven Antenna Systems Inc renewed their line of credit agreement with available borrowings of \$7,000 thousand. The original facility expired in May 2020, however this was extended into 2023. The advances are limited to specific assets as collateral, being 85% of eligible accounts receivable and up to 65% of eligible inventory. The effective interest rate on the facility was 3.5% as at 31 December 2022 (2021: 3.5%). As at the year end, Raven Antenna Systems Inc. had borrowings under its line of credit of \$2,581 thousand (2021: \$2,581 thousand).

The group entered into a revolving credit agreement with Lloyds Bank Plc on 28 August 2020. As at 31 December 2022, the group had drawn down \$3,000 thousand of its revolving credit facility limit of \$6,000 thousand. The facility has a maturity date in June 2024 and is secured by a composite guarantee for each subsidiary of Global Invacom Holdings Limited. During the current reporting period the group had a technical breach of its banking covenants because it did not meet two of the covenant test (Ratio of EBIT to Interest and Leverage or net borrowings to EBITDA). The impact of this breach is that the group is unable to draw down the additional \$3,000 thousand of its revolving credit facility without prior approval of the bank.

**Global Invacom Holdings Limited**

**Notes to the consolidated financial statements  
for the year ended 31 December 2022**

**26. Loans and borrowings (Continued)**

Lease Liabilities	Office premises & warehouse \$'000	Machinery & equipment \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>				
Balance at 1 January 2022	4,098	327	31	4,456
Additions	22	100	56	178
Interest expense	148	15	2	165
Modifications to lease terms	-	-	-	-
Lease payments				
- Principal portion	(1,360)	(142)	(31)	(1,533)
- Interest portion	(148)	(15)	(2)	(165)
Currency realignment	(55)	(9)	-	(64)
Balance at 31 December 2022	<u>2,705</u>	<u>276</u>	<u>56</u>	<u>3,037</u>

	\$'000
<b>Contractual undiscounted cash flows</b>	
- Not later than a year	1,570
- Later than 1 year but not later than 5 years	1,673
- More than 5 years	-
	<u>3,243</u>
Less: Future interest charges	(206)
Present value of lease liabilities	<u>3,037</u>
<b>Presented in statement of financial position</b>	
- Non-current	1,568
- Current	1,469
	<u>3,037</u>

**27. Ultimate parent undertaking**

The immediate and ultimate parent undertaking and controlling party is Global Invacom Group Limited.

The smallest and largest group which includes the group and for which group accounts are prepared, is Global Invacom Group Limited, a company incorporated in Singapore. The consolidated accounts are available at the entity's corporate website [www.globalinvacom.com](http://www.globalinvacom.com).