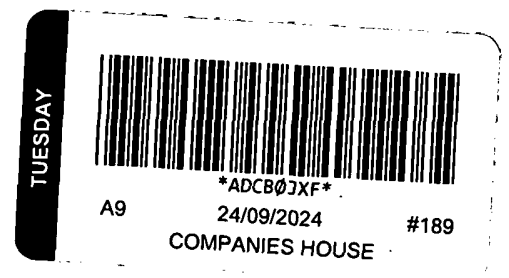


Registered number: 06743598

Global Invacom Holdings Limited

**Annual report and Financial statements
for the year ended 31 December 2023**



Global Invacom Holdings Limited

Company Information

Directors	J S Parfitt G Blaikie
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

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Global Invacom Holdings Limited

Group strategic report for the year ended 31 December 2023

Introduction

The Directors present their strategic report together with the audited financial statements for the year ended 31 December 2023.

Principal activity

The principal activity of the Group during the year was the design and manufacture of satellite ground network equipment products and solutions that cater to the needs of the main market sectors such as Satellite Communications, Satellite Broadcast TV and Global Navigation Satellite Systems.

Business review

The results show a total comprehensive loss of \$1.2m for the year ended 31 December 2023 (2022: \$7.5m loss). Revenues decreased by 10.8% on the prior year (2022 decrease from FY21 was 11%) with gross margins increasing by 4.2% to 23.4% from 19.2% in 2022. The financial results for the year are shown on page 13.

2023 was a challenging year for the company with continued pressure on company revenue as the demand for the Direct-to-Home market continued to decline due to the multitude of alternatives now available on the market. Despite the challenge in the broader macroeconomic environment, the supply chain and ongoing inflationary pressures, the company remains focused on mitigating the impact and delivering progress in its core business operations.

The Company revenues declined in 2023 although gross margin strengthened, due to the product mix (a decline in the low margin product) and continued management focus on the costs of delivery.

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 declining Satellite TV sector.

FY 2023 Financial review

The decrease in revenue year on year of (\$7.7m) was driven by the continued reduction in the Direct-to-Home market in North America and the UK, primarily due to the number of alternative technologies now available to the consumer.

Administrative expenses increased to \$19.2m in FY2023 from \$18.3m in FY2022 mainly as a result of a modest increase in employee-related costs.

The loss for the year included \$1.2m of impairment of goodwill related to the group subsidiaries in the US, namely Satellite Acquisition Corporation and Raven Antenna Systems. As part of the rationalisation of the wider group's operations in the US, Satellite Acquisition Corporation and Raven Antenna Systems, fellow subsidiaries of the group were placed into the hands of the Receivers effective from 10 July 2024.

Other operating income/(expense) includes a one off \$4.1m income from the gain on the sale of fixed assets in Raven Antenna Systems.

Dividend

No dividend has been declared for FY2023 as a result of the operating conditions faced by the group.

Strategic direction and outlook

The group is committed to strengthening its Satellite Communications product and solutions portfolio and value proposition through its investment in research and development, product management, sales and marketing.

Global Invacom Holdings Limited

Group strategic report (continued) for the year ended 31 December 2023

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 Company collaborates closely with customers to ascertain their requirements and identify where solutions can be developed that address their unique needs.

Due to the prevailing economic pressures on the business, the current financial year is expected to be challenging for the group. 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 2023 to 31 December 2023 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.

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. This assessment includes consideration of the impact of the rationalisation of the group subsequent to the year-end which resulted in the US business entering receivership, this is detailed in note 32. In reaching this assessment the directors have carefully considered the Group and Company's available financial resources, expected cashflows, working capital requirements as well as the availability of financial support of the parent undertaking should this be required.

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 2023 \$000	Year ended 31 December 2022 \$000
Turnover	62,985	70,637
Gross profit margin (%)	23	19

Global Invacom Holdings Limited

Group strategic report (continued) for the year ended 31 December 2023

ii. Financial position

Net current assets

Net current assets of \$0.7m as at 31 December 2022 have increased by an amount of \$0.9m to \$1.6 million as at 31 December 2023.

Non-current assets

Non-current assets have decreased to an amount of \$10.6m from \$14.2m in the prior year which is largely attributable to the amortisation and depreciation for the year exceeding the cost of additions to Property, plant and equipment.

Cash position

Cash was \$10.1m as at 31 December 2023, an increase of \$2.4m from the position 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 utilising 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 company remains a leading provider of innovative products and solutions for the satellite ground equipment market. This market is a rapidly technically developing one with the inherent business risk that the Company must stay abreast of advances in the field. This ability depends on the creativity and capability of its design teams and the Company continues to promote further education and the development of new talent in this area to continue to stay at the forefront of development companies.

The Company recognizes that it has a single major customer making up a significant portion of its revenues and it monitors the relationship and the end market of this customer very closely. The Company continues to look for further significant customers to reduce this reliance but despite winning orders for new products during the year under review it recognizes that there are few other significant alternatives and if the Company were to lose this customer, its sales and financial performance would be adversely affected. The company is aware that the parent of this customer is facing difficult trading conditions which have affected its financial performance. The position of this organisation continues to be monitored to limit and manage future exposure.

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 2023**

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 2023.

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: 12.9.24

Global Invacom Holdings Limited

Directors' report for the year ended 31 December 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

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 2 of these financial statements.

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 2023

Directors

The directors who served during the year were:

J S Parfitt
G Blaikie

Future developments

The Company continues to develop new technologies to meet the needs of its customers and also to protect its own margins. It believes that nurturing close relations with its customers and suppliers are essential to its continued success. The Company remains optimistic about the global growth prospects of the markets it addresses whilst being realistic to the demands and ongoing changes within the industry.

Dividends

Dividends of \$Nil were paid in the year ended 31 December 2023 (2022: \$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 2023**

Greenhouse gas emissions, energy consumption and energy efficiency action

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

	2023	2022
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)	2,457	1,885
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)	1,686	1,910
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>19,356,953</u>	<u>17,113,741</u>

Post year end events

As part of the rationalisation of the group's operations the US components of the group, these being Satellite Acquisition Corporation and Raven Antenna Systems Inc, 100% owned subsidiaries of the company, were placed into receivership effective from 10 July 2024.

This represents an adjusting event after the reporting date for the group. This is as conditions were substantially in place at 31 December 2023 to know that the US business was struggling financially. The group's statement of financial position included goodwill relating to the US components of \$1,156,000 as at the date those components lost the financial support of the ultimate parent company and entered receivership. To this end the value of this goodwill is considered to be impaired to a negligible value and as such this impairment has been recognised within Other operating charges.

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: 12.9.24

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 2023 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 21 - 31. 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 2023 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 5, 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.

Global Invacom Holdings Limited

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; 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.

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.

Global Invacom Holdings Limited

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

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.
- Obtains 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.

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: 13 September 2024

Global Invacom Holdings Limited

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2023**

	Note	2023 \$000	As restated 2022 \$000
Revenue	5	62,985	70,637
Cost of sales		(48,256)	(57,058)
Gross profit		14,729	13,579
Other operating income/(expense)	9	3,424	(125)
Administrative expenses		(19,163)	(18,253)
Loss from operations	6	(1,010)	(4,799)
Finance income	8	-	44
Finance expense	8	(1,323)	(1,122)
Loss before tax		(2,333)	(5,877)
Tax credit/(expense)	10	959	(946)
Loss for the year		(1,374)	(6,823)
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Exchange gains/(loss) arising on translation on non-USD operations		199	(705)
Total comprehensive loss		(1,175)	(7,528)

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

All amounts relate to continuing operations.

The notes on pages 21 to 54 form part of these financial statements.

Global Invacom Holdings Limited
Registered number: 06743598

Consolidated statement of financial position
as at 31 December 2023

	Note	2023 \$000	As Restated 2022 \$000
Assets			
Non-current assets			
Property, plant and equipment	15	8,021	10,191
Intangible assets	13	2,030	3,466
Trade and other receivables	17	54	-
Deferred tax assets	10	509	585
		<u>10,614</u>	<u>14,242</u>
Current assets			
Inventories	18	19,386	22,243
Trade and other receivables	17	14,796	11,144
Cash and cash equivalents	19	10,071	7,720
		<u>44,253</u>	<u>41,107</u>
		<u>54,867</u>	<u>55,349</u>
Total assets			
Liabilities			
Non-current liabilities			
Trade and other liabilities	23	162	171
Loans and borrowings	26	399	1,568
Deferred tax liability	10	181	684
		<u>742</u>	<u>2,423</u>
Current liabilities			
Trade and other liabilities	23	38,215	33,672
Loans and borrowings	26	4,477	6,736
		<u>42,692</u>	<u>40,408</u>
		<u>43,434</u>	<u>42,831</u>
Total liabilities			
		<u>11,433</u>	<u>12,518</u>
Net assets			

Global Invacom Holdings Limited
Registered number: 06743598

Consolidated statement of financial position (continued)
as at 31 December 2023

	Note	2023 \$000	As Restated 2022 \$000
Issued capital and reserves attributable to owners of the parent			
Share capital	20	48	48
Share premium reserve	20	3,937	3,937
Capital redemption reserve		772	682
Other reserves		(15,423)	(15,622)
Retained earnings		22,099	23,473
		<u>11,433</u>	<u>12,518</u>
TOTAL EQUITY		<u>11,433</u>	<u>12,518</u>

The financial statements on pages 2 to 54 were approved and authorised for issue by the board of directors and were signed on its behalf by:



G Blaikie
Director

Date: 12.9.24

The notes on pages 21 to 54 form part of these financial statements.

Global Invacom Holdings Limited
Registered number: 06743598

Company statement of financial position
as at 31 December 2023

	Note	2023 \$000	2022 \$000
Assets			
Non-current assets			
Other non-current investments	15	19,239	28,012
Deferred tax assets		346	8
		<u>19,585</u>	<u>28,020</u>
Current assets			
Cash and cash equivalents	19	479	191
		<u>479</u>	<u>191</u>
Total assets		<u>20,064</u>	<u>28,211</u>
Liabilities			
Current liabilities			
Trade and other liabilities	23	21,354	20,879
		<u>21,354</u>	<u>20,879</u>
Total liabilities		<u>21,354</u>	<u>20,879</u>
Net (liabilities)/assets		<u>(1,290)</u>	<u>7,332</u>
Issued capital and reserves attributable to owners of the parent			
Share capital	20	48	48
Share premium reserve	20	3,937	3,937
Other reserves		6	6
Retained earnings		(5,281)	3,341
TOTAL EQUITY		<u>(1,290)</u>	<u>7,332</u>

The financial statements on pages 2 to 54 were approved and authorised for issue by the board of directors and were signed on its behalf by:



G Blaikie
 Director
 Date: 12.9.24

The notes on pages 21 to 54 form part of these financial statements.

Global Invacom Holdings Limited

Consolidated statement of changes in equity
for the year ended 31 December 2023

	Share capital \$000	Share premium \$000	Capital redemption reserve \$000	As restated Other reserves \$000	As restated Retained earnings \$000	Total attributable to equity holders of parent \$000	Total equity \$000
At 1 January 2022	48	3,937	655	(14,917)	30,296	20,019	20,019
Comprehensive income for the year							
Loss for the year (As restated)	-	-	-	-	(6,823)	(6,823)	(6,823)
Other comprehensive income (As restated)	-	-	-	(705)	-	(705)	(705)
Total comprehensive loss for the year	-	-	-	(705)	(6,823)	(7,528)	(7,528)
Contributions by and distributions to owners							
Share based payments	-	-	27	-	-	27	27
Total contributions by and distributions to owners	-	-	27	-	-	27	27
At 31 December 2022	48	3,937	682	(15,622)	23,473	12,518	12,518
At 1 January 2023	48	3,937	682	(15,622)	23,473	12,518	12,518
Comprehensive income for the year							
Loss for the year	-	-	-	-	(1,374)	(1,374)	(1,374)
Other comprehensive income	-	-	-	199	-	199	199
Total comprehensive loss for the year	-	-	-	199	(1,374)	(1,175)	(1,175)
Contributions by and distributions to owners							
Share based payments	-	-	90	-	-	90	90
Total contributions by and distributions to owners	-	-	90	-	-	90	90
At 31 December 2023	48	3,937	772	(15,423)	22,099	11,433	11,433

Global Invacom Holdings Limited

**Company statement of changes in equity
for the year ended 31 December 2023**

	Share capital \$000	Share premium \$000	Other reserves \$000	Retained earnings \$000	Total equity \$000
At 1 January 2022	48	3,937	6	3,095	7,086
Loss for the year					
Profit for the year	-	-	-	246	246
Total comprehensive income for the year	-	-	-	246	246
At 31 December 2022	48	3,937	6	3,341	7,332
At 1 January 2023	48	3,937	6	3,341	7,332
Loss for the year					
Loss for the year	-	-	-	(8,622)	(8,622)
Total comprehensive income for the year	-	-	-	(8,622)	(8,622)
At 31 December 2023	48	3,937	6	(5,281)	(1,290)

The notes on pages 21 to 54 form part of these financial statements.

Global Invacom Holdings Limited

**Consolidated statement of cash flows
for the year ended 31 December 2023**

	2023 \$000	As restated 2022 \$000
Cash flows from operating activities		
Loss for the year	(1,374)	(6,823)
Adjustments for		
Depreciation of property, plant and equipment	2,945	3,091
Amortisation of intangible fixed assets	285	278
Finance income	-	44
Finance expense	1,323	1,122
Impairment of assets	1,156	(125)
(Gain)/Loss on sale of property, plant and equipment	282	(306)
Expected credit loss provision in the year	375	140
Inventory provision movement	343	853
Share-based payment expense	90	27
Net foreign exchange loss	68	808
Income tax expense	959	946
	<u>6,452</u>	<u>55</u>
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(3,272)	6,384
Decrease in inventories	2,857	1,633
Increase/(decrease) in trade and other payables	4,535	(5,701)
	<u>10,572</u>	<u>2,371</u>
Cash generated from operations		
Income taxes paid	(2,194)	(119)
	<u>8,378</u>	<u>2,252</u>
Net cash from operating activities		
Cash flows from investing activities		
Purchases of property, plant and equipment	(830)	(459)
Interest paid	(1,323)	(1,122)
Interest received	-	(44)
	<u>(2,153)</u>	<u>(1,625)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Proceeds from borrowings	19,478	35,801
Borrowings paid	(21,962)	(36,114)
Payment of lease liabilities	(1,390)	(1,533)
	<u>(3,874)</u>	<u>(1,846)</u>
Net cash used in financing activities		

Global Invacom Holdings Limited

**Consolidated statement of cash flows (continued)
for the year ended 31 December 2023**

	2023	2022
	\$000	\$000
Net increase/(decrease) in cash and cash equivalents	<u>2,351</u>	<u>(1,219)</u>
Cash and cash equivalents at the beginning of year	<u>7,720</u>	<u>8,939</u>
Cash and cash equivalents at the end of the year	<u><u>10,071</u></u>	<u><u>7,720</u></u>

The notes on pages 21 to 54 form part of these financial statements.

Global Invacom Holdings Limited

**Company statement of cash flows
for the year ended 31 December 2023**

	2023	2022
	\$000	\$000
Cash flows from operating activities		
(Loss)/profit for the year	(8,622)	246
Adjustments for		
Finance expense	1,144	665
Impairments of subsidiary investments	8,773	-
	<u>1,295</u>	<u>911</u>
Movements in working capital:		
Decrease in trade and other receivables	-	2
Increase in other assets	(337)	-
Increase/(decrease) in trade and other payables	474	(288)
Cash generated from operations	<u>1,432</u>	<u>625</u>
Net cash from operating activities	<u>1,432</u>	<u>625</u>
Cash flows from investing activities		
Dividends received from associates	(1,144)	(665)
Net cash used in investing activities	<u>(1,144)</u>	<u>(665)</u>
Cash flows from financing activities		
Net increase/(decrease) in cash and cash equivalents	<u>288</u>	<u>(40)</u>
Cash and cash equivalents at the beginning of year	<u>191</u>	<u>231</u>
Cash and cash equivalents at the end of the year	<u><u>479</u></u>	<u><u>191</u></u>

The notes on pages 21 to 54 form part of these financial statements.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

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 2.

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.

Notes to the consolidated financial statements
for the year ended 31 December 2023

2. Accounting policies (continued)

2.4 Current and future changes to IFRS accounting policy and disclosure

The following changes have been implemented during the financial year, none of which have had a material impact on the financial statements:

Standard	Overview
IFRS 17 Insurance Contracts	IFRS 17 will replace IFRS 4 Insurance Contracts, a temporary standard which permits a variety of accounting practices for insurance contracts.
Amendments to IFRS 17 – Initial Application of IFRS 17 & IFRS 9 Comparative Information	Many insurance entities will now be applying both IFRS 17 and IFRS 9 for the first time in annual reporting periods beginning on or after 1 January 2023.
Amendments to IAS 1 and IFRS Practice Statement 2 – Making Materiality Judgements <i>Disclosure of Accounting Policies</i>	The amendments to IAS 1 will require an entity to disclose material accounting policies. Accounting policy information is likely to be considered material if users need the disclosure to understand other material information in the accounts.
Amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors <i>Definition of Accounting Estimates</i>	The amendments introduce a definition for accounting estimates which is 'monetary amounts in financial statements that are subject to measurement uncertainty'. Measurement uncertainty will arise when monetary amounts required to apply an accounting policy cannot be observed directly. In such cases, accounting estimates will need to be developed using judgements and assumptions.
Amendments to IAS 12 – Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction	This amendment to IAS 12 Income Taxes introduces an exception to the "initial recognition exemption" when the transaction gives rise to equal taxable and deductible temporary differences.
Amendments to IAS 12 – Income Taxes <i>International Tax Reform – Pillar Two Model Rules</i>	This amendment to IAS 12 Income Taxes introduces disclosures to help investors better understand a company's exposure to income taxes arising from the reform, particularly before legislation implementing the rules is in effect.

The following changes will become effective in future financial years, none of these are expected to have a material impact on the financial statements:

Standard	Effective date	Overview
Amendments to IAS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024 (early adoption permitted)	The standard has been amended to clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. In order to conclude a liability is non-current, the right to defer settlement of a liability for at least 12 months after the reporting date must exist as at the end of the reporting period.
Amendments to IAS 1 <i>Non-current Liabilities with Covenants</i>	1 January 2024 (early adoption permitted)	The standard confirms that only those covenants with which an entity must comply on or before the end of the reporting period affect the classification of a liability as current or non-current.
Amendments to IFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024 (early adoption permitted)	The amendments address the accounting that should be applied by a seller-lessee in a sale and leaseback transaction when the leaseback contains variable lease payments, such as turnover rentals, that do not depend on an index or rate. Specifically, they confirm that the 'lease payments' or the 'revised lease payments' arising from the leaseback arrangement are measured in such a way that no gain or loss is recognised on the right of use retained by the seller-lessee.
Amendments to IAS 7 and IFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024 (early adoption permitted)	The amendments require an entity to disclose information about its supplier finance arrangements to enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

2. Accounting policies (continued)

2.5 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.

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.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

2. Accounting policies (continued)

2.6 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. This assessment includes consideration of the impact of the rationalisation of the group subsequent to the year-end which resulted in the US business entering receivership, this is detailed in note 32. In reaching this assessment the directors have carefully considered the Group and Company's available financial resources, expected cashflows, working capital requirements as well as the availability of financial support of the parent undertaking should this be required.

Therefore it is on this basis that the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.7 Goodwill

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

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.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

2. Accounting policies (continued)

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. Work in progress inventory is valued based on the costs incurred to date in the construction process.

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.

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.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

2. Accounting policies (continued)

2.12 Employee benefits (continued)

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.

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.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

2. Accounting policies (continued)

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.

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.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

2. Accounting policies (continued)

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.

2.21 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.

2.22 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.

2.23 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.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

2. Accounting policies (continued)

2.23 Share-based payments (continued)

(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.

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.

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

2. Accounting policies (continued)

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.

(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.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

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.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

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 2023

5. Revenue

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

	2023 \$000	2022 \$000
Sale of goods	<u>62,985</u>	<u>70,637</u>

Analysis of revenue by geographical location:

	2023 \$000	2022 \$000
United Kingdom	10,546	17,333
Rest of Europe	7,498	2,105
Rest of the world	42,670	49,241
Asia	2,271	1,958
	<u>62,985</u>	<u>70,637</u>

6. Operating loss

Operating profit is stated after charging the following:

	2023 \$000	2022 \$000
Cost of inventories recognised as an expense	48,256	57,058
Depreciation of property, plant and equipment	2,945	2,960
Amortisation of intangible expenses	285	298
Auditors remuneration - Statutory audit	367	277
Auditors remuneration - Non-audit services	30	30
Impairment of goodwill (included in Other operating income/(expense))	1,156	-

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

7. Employee benefits and key management compensation

Group

	2023	2022
	\$000	\$000
Wages and salaries	14,373	13,201
National insurance	575	609
Defined contribution pension cost	213	214
Social security contributions and similar taxes	378	392
	15,539	14,416

During the year ended 31 December 2023, \$486k of employee benefits were recharged to Global Invacom Group Limited (2022: \$712k).

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

	2023	2022
	No.	No.
Number of employees	257	302

Directors' remuneration:

	2023	2022
	\$000	\$000
Emoluments	361	528
Other long term benefits (defined contribution pension scheme)	18	15
Social security	45	94
	424	637

Information regarding the highest paid director is as follows:

	2023	2022
	\$000	\$000
Emoluments	254	410
Other long term benefits (defined contribution pension scheme)	10	3
Social security	32	60
	296	473

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

8. Interest receivable and interest payable

	2023	2022
	\$000	\$000
Interest receivable	-	44

	2023	2022
	\$000	\$000
Interest payable	1,323	1,122

9. Other operating income/(expense)

	2023	2022
	\$000	\$000
Gain on sale of fixed assets included as other operating income	4,138	-
Impairment of goodwill (included in Other operating income/(expense))	(1,156)	-
Other operating income/(expenses)	442	(125)
	3,424	(125)

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

10. Tax (credit)/expense

10.1 Income tax recognised in profit or loss

	2023	2022
	\$000	\$000
Current tax		
Current tax on profits for the year	(719)	(20)
Overseas tax	21	-
Total current tax	(698)	(20)
Deferred tax expense		
Origination and reversal of timing differences	(261)	966
Total deferred tax	(261)	966
Tax expense excluding tax on sale of discontinued operation and share of tax of equity accounted associates and joint ventures	(959)	946

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:

	2023	As restated 2022
	\$000	\$000
Loss for the year	(1,374)	(6,823)
Income tax expense (including income tax on associate, joint venture and discontinued operations)	(959)	946
Loss before income taxes	(2,333)	(5,877)
Tax using the Company's domestic tax rate of 23.5% (2022:19%)	(548)	(1,117)
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	182	273
Impairment of goodwill	271	-
Non-taxable income	(254)	(188)
Tax rate changes	(25)	(74)
Effects of group relief/other reliefs	-	1,141
Other tax adjustments	118	8
Non-reclaimable tax	21	160
Research and other development credits	(28)	(44)
Derecognition of deferred tax assets relating to tax losses	-	1,345
(Over)/under provision of income tax and deferred tax in prior years	(723)	(379)
Other differences leading to an increase/(decrease) in the tax charge	27	(179)
Total tax (credit)/expense	(959)	946

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

10.2 Deferred taxation liability:

	2023 \$000	2022 \$000
Opening liability	683	646
Impact of timing differences	14	(31)
Fixed asset temporary timing differences	(45)	-
Deferred tax liabilities derecognised	(476)	43
Effect of foreign translation	5	25
Closing liability	181	683
	2023 \$000	2022 \$000
Fixed asset timing differences	195	251
Short term timing differences	(14)	432
	181	683

10.3 Deferred taxation asset:

	2023 \$000	2022 \$000
Opening Asset	585	1,780
Deferred tax assets derecognised	(347)	(1,345)
Additional tax losses capitalised	249	149
Effect of foreign translation	24	1
Fixed asset temporary timing differences	(2)	-
Closing Asset	509	585
	2023 \$000	2022 \$000
Fixed asset timing differences	(349)	410
Losses carried forward for utilisation in future periods	858	175
	509	585

No deferred tax asset has been recognised for losses carried forward of the Company's subsidiary Global Skyware Limited totalling \$1.7m (2022: \$1.8m).

11. 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 \$8.622m (2022: profit of \$246k).

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

12. Dividend

During the year, interim dividends of \$Nil (2022: \$Nil) were declared on ordinary share capital.

13. Intangible assets

Group

	Goodwill \$000	Intellectual property rights \$000	Capitalised development costs \$000	Total \$000
Cost				
At 1 January 2022	2,049	2,396	5,112	9,557
Additions	-	-	17	17
Foreign exchange movement	-	120	(1,523)	(1,403)
At 31 December 2022	2,049	2,516	3,606	8,171
Impairments	(1,156)	-	-	(1,156)
Foreign exchange movement	-	6	-	6
At 31 December 2023	893	2,522	3,606	7,021
Accumulated amortisation and impairment				
At 1 January 2022	-	765	5,046	5,811
Charge for the year	-	229	69	298
Foreign exchange movement	-	120	(1,523)	(1,403)
At 31 December 2022	-	1,114	3,592	4,706
Charge for the year	-	271	14	285
At 31 December 2023	-	1,385	3,606	4,991
Net book value				
At 1 January 2022	2,049	1,631	66	3,746
At 31 December 2022	2,049	1,402	14	3,465
At 31 December 2023	893	1,137	-	2,030

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

14. Goodwill

Group

13.1 Allocation of goodwill to cash generating units

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

	2023	2022
	\$000	\$000
OnePath Networks Limited	893	893
Satellite Acquisition Incorporation	-	1,156
	893	2,049

OnePath Networks Limited

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

Satellite Acquisition Incorporation

On acquisition of subsidiary Satellite Acquisition Incorporation, \$1,156k was recognised as Goodwill. Due to on-going poor performance and events after the balance sheet date described in note 32 the value of this goodwill has been impaired in full.

Global Invacom Holdings Limited

Notes to the consolidated financial statements
for the year ended 31 December 2023

15. 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
Cost or valuation								
At 1 January 2022	2,871	1,346	17,737	40	-	7,547	8,377	37,918
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
At 31 December 2022	2,167	4,836	16,927	112	251	10,501	7,206	42,000
Additions	-	28	244	-	336	104	118	830
Disposals	-	(31)	(2,047)	-	-	-	-	(2,078)
Foreign exchange movements	-	157	47	-	-	-	-	204
At 31 December 2023	2,167	4,990	15,171	112	587	10,605	7,324	40,956

Global Invacom Holdings Limited

Notes to the consolidated financial statements
for the year ended 31 December 2023

15. 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
Accumulated depreciation and impairment								
At 1 January 2022	957	1,084	11,698	40	-	7,047	4,226	25,052
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
At 31 December 2022	298	3,183	13,634	110	-	10,324	4,261	31,810
Charge for the year	30	63	1,214	-	-	205	1,433	2,945
Disposals	-	-	(1,796)	-	-	-	-	(1,796)
Exchange adjustments	7	100	9	-	-	1	(141)	(24)
At 31 December 2023	335	3,346	13,061	110	-	10,530	5,553	32,935
Net book value								
At 1 January 2022	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
At 31 December 2023	1,832	1,644	2,110	2	587	75	1,771	8,021

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

16. Investments - Parent company

	Shares in Group undertakings \$'000	Unlisted equity securities \$'000	Total \$'000
Cost and net book value			
At 31 December 2022	28,012	-	28,012
Impairment charge	(8,773)	-	(8,773)
At 31 December 2023	19,239	-	19,239
	\$'000	\$'000	\$'000
Cost and net book value			
At 31 December 2021	28,012	-	28,012
Impairment charge	-	-	-
At 31 December 2022	28,012	-	28,012

During the year the company's investment in Satellite Acquisition Corporation was impaired to \$Nil. This was on the basis of a revision to the estimated current recoverable value of this investment.

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 2023**

17. Trade and other receivables

Group

	2023	2022
	\$000	\$000
Trade receivables	10,866	9,713
Trade receivables - net	10,866	9,713
Receivables from related parties	1,746	525
Total financial assets other than cash and cash equivalents classified as loans and receivables	12,612	10,238
Prepayments and accrued income	899	696
Other receivables	1,339	210
Total trade and other receivables	14,850	11,144
Less: current portion - trade receivables	(10,866)	(9,713)
Less: current portion - prepayments and accrued income	(899)	(696)
Less: current portion - other receivables	(1,285)	(210)
Less: current portion - receivables from related parties	(1,746)	(525)
Total current portion	(14,796)	(11,144)
Total non-current portion	54	-

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

Amounts receivable from customers 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 and associated expected credit loss provisioning as required by IFRS 9 at 31 December 2023 is as follows:

	Current	0 - 60 days past due	> 60 days past due	Total
Total gross trade receivables	10,079	631	717	11,241
Less: 90% of trade receivables insured	(4,721)	(113)	-	(4,833)
Net exposure	5,359	519	717	6,408
Expected credit loss rate	0.0%	5.0%	48.7%	
Loss allowance - lifetime expected credit losses	-	(26)	(349)	(375)
Total allowance for impairment losses	-	(26)	(349)	(375)
Total net trade receivables				10,866

The group has employed the simplified model of recognising expected credit losses under IFRS 9.

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

18. Inventories

Group

	2023	2022
	\$000	\$000
Raw materials	14,943	9,932
Work in progress	1,350	2,005
Finished goods	3,093	10,306
Total inventories	19,386	22,243

The amount of inventories recognised as an expense during 2023 was \$48,256k (2022 - \$57,058k).

	2023
	\$000
Inventory provision	
As at 1 January 2023	1,832
Additional provision	343
	2,175

19. Cash and cash equivalents

	Group	Group	Company	Company
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Bank balances and cash	10,071	7,720	479	191

The Group has issued a debenture over the Group's assets to its bankers in connection with an agreed bank overdraft facility of £2.5m, equivalent to \$3.2m at 31 December 2023 (2022: £2.5m, equivalent to \$3.1m). This was extended to December 2024 with previous covenants in place waived.

The Group has a duty deterrent guarantee in place with HMRC and Lloyds Bank PLC for £500k, equivalent to \$635k at 31 December 2023 (2022: £500k, equivalent to \$603k).

Raven Antenna Systems entered into a line of credit agreement with a bank with available borrowings of \$7m extended into 2024. Borrowings for revolving advance are limited to specific assets as collateral, 85% of 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 2023**

20. Share capital and share premium

	Number of shares	Share capital \$'000	Share premium \$'000
At 31 December 2022 and 31 December 2023	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 2023 was £1m divided into 10,000,000 ordinary shares of £0.10 each.

21. 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 (2022 : No expense) has been included in administrative expenses for the year ended 31 December 2023 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 2023**

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 2023	11,170	0.239
Granted	1,800	-
Lapsed	(2,830)	-
Outstanding at 31 December 2023	<u>10,140</u>	<u>0.225</u>

Weighted average remaining contractual life: 3.95 years (2022: 2.13 years).

01.01.22	Granted	Exercised	31.12.22	Granted	Exercised	31.12.23	Exercise	Exercise period
'000	'000	/lapsed	'000	'000	/lapsed	'000	price	
		'000			'000			
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
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
-	-	-	-	900	-	900	S\$0.05	2 March 2023 to 2 March 2032
-	-	-	-	900	-	900	S\$0.05	2 March 2032 to 2 March 2032
<u>11,170</u>	<u>-</u>	<u>-</u>	<u>11,170</u>	<u>-</u>	<u>-</u>	<u>10,140</u>		

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

22. Reserves

	Merger reserve	Equity Contribut'n reserve	Translation reserve	Total
	\$'000	\$'000	\$'000	\$'000
At 31 December 2021	(14,215)	6	(708)	(14,917)
Foreign exchange of translation of foreign subsidiary	-	-	(705)	(250)
As at 31 December 2022	(14,215)	6	(1,413)	(15,622)
Foreign exchange on translation of foreign subsidiary	-	-	199	-
As at 31 December 2023	(14,215)	6	(1,214)	(15,423)

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. This reserve is held within the parent company.

23. Trade and other payables

Group

	2023 \$000	2022 \$000
Trade payables	11,938	9,871
Payables to related parties	23,059	21,394
Other payables	119	130
Accruals	3,003	2,205
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	38,119	33,600
Other payables - tax and social security payments	258	241
Total trade and other payables	38,377	33,841
Less: current portion - trade payables	(11,938)	(9,871)
Less: current portion - payables to related parties	(23,059)	(21,394)
Less: current portion - other payables	(377)	(371)
Less: current portion - accruals	(2,841)	(2,035)
Total current portion	(38,215)	(33,671)
Total non-current position	162	171

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

23. Trade and other payables (Continued)

The company entered into a revolving credit agreement with Lloyds Bank Plc on 28 August 2020. As at 31 December 2023, the company had drawn down \$3m of its revolving credit facility limit of \$6m. 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 and prior reporting period the company had a technical breach of its banking covenants because it did not meet two of the covenant tests (Ratio of EBIT to Interest and Leverage or net borrowings to EBITDA). The impact of this breach is that the company is unable to draw down the additional \$3m of its revolving credit facility without prior approval of the bank.

Company

	2023	2022
	\$000	\$000
Amounts due to related parties	21,294	20,839
Trade payables	26	-
Accruals	33	40
	21,353	20,879

24. Related party transactions

	Group	Group	Company	Company
	2023	2022	2023	2022
	\$000	\$000	\$000	\$000
Current liabilities				
Borrowing due to Global Invacom Limited	-	-	4,942	5,630
Borrowings due to GIGL	17,394	15,729	16,353	15,209
Amounts due to other GIGL group entities	5,665	5,665	-	-
	23,059	21,394	21,295	20,839

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

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 2023:

The director reported below holds GIGL shares and is a director of the Company at 31 December 2023:

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 2023 of \$486k (2022: \$712k).

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 2023 was \$5,691k (2022: \$5,823k). 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. Net repayments of \$138k were made by Global Skyware Limited during the year (2022: No repayments were made).

Between the Company and Global Invacom Limited

As at the year end, the company owed a balance of \$4,942k (2022: \$5,630k) to Global Invacom Limited with net repayments of £688k being made during the year (2022: \$405k being borrowed). 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 \$3,500k, repayable on demand. The loan was advanced regarding the acquisition of 100% subsidiary OnePath Networks Limited. As at 31 December 2023, total balance of the loan was \$2,500k. The loan bears interest at the Bank of England base rate plus 4% and at 31 December 2023 interest of \$1,141k had accrued (2022: \$1,048k).

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 2023 interest of \$3,938k had accrued (2022: \$2,886k).

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

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 12% of trade receivables (18% at 31 December 2022).

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:

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2023**

25. Financial risk management (Continued)

As at 31 December 2023	US Dollars \$'000	Sterling \$'000	Euros \$'000	Other \$'000	Total \$'000
Inventories	19,386	-	-	-	19,386
Trade receivables (excluding prepayments and VAT receivable)	7,320	3,095	-	655	11,070
Trade and other payables (excluding provisions, deferred income and VAT payables)	(12,411)	(24,878)	-	(594)	(37,883)
Borrowings & lease liabilities	(4,293)	(583)	-	-	(4,876)
Tax payable (net)	-	-	-	-	-
Cash and cash equivalents	10,360	(775)	-	486	10,071
	<u>20,371</u>	<u>(23,141)</u>	<u>-</u>	<u>547</u>	<u>(2,232)</u>
As at 31 December 2022	US Dollars \$'000	Sterling \$'000	Euros \$'000	Other \$'000	Total \$'000
Inventories	22,243	-	-	-	22,243
Trade receivables (excluding prepayments and VAT receivable)	8,071	2,836	-	237	11,144
Trade and other payables (excluding provisions, deferred income and VAT payables)	(10,256)	(23,305)	-	(40)	(33,601)
Borrowings & lease liabilities	(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>

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 2023 and year ended 31 December 2022.

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 2022 or 2023.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

26. Loans and borrowings

Group

	2023 \$000	2022 \$000
Non-current		
Lease liabilities	399	1,568
	<u>399</u>	<u>1,568</u>
Current		
Bank loans - secured	3,012	5,268
Lease liabilities	1,465	1,468
	<u>4,477</u>	<u>6,736</u>
Total loans and borrowings	<u><u>4,876</u></u>	<u><u>8,304</u></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 \$7,000k. The original facility expired in May 2020, however this was extended into 2024. 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 2023 (2022: 3.5%). As at the year end, Raven Antenna Systems Inc. had borrowings under its line of credit of \$2,581k (2022: \$2,581k).

The group entered into a revolving credit agreement with Lloyds Bank Plc on 28 August 2020. As at 31 December 2023, the group had drawn down \$3,000k of its revolving credit facility limit of \$6,000k. 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 \$3,000k 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 2023**

26. Loans and borrowings (Continued)

Lease Liabilities	Office premises & warehouse \$'000	Machinery & equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost				
Balance at 1 January 2023	2,705	276	56	3,037
Additions	65	21	32	118
Interest expense	101	4	3	108
Modifications to lease terms	-	-	-	-
Lease payments				
- Principal portion	(1,218)	(143)	(29)	(1,390)
- Interest portion	(101)	(4)	(3)	(108)
Currency realignment	105	(3)	(3)	100
Balance at 31 December 2023	<u>1,657</u>	<u>152</u>	<u>55</u>	<u>1,864</u>

\$'000

Contractual undiscounted cash flows

- Not later than a year	1,552
- Later than 1 year but not later than 5 years	432
- More than 5 years	-

1,985

Less: Future interest charges

(120)

Present value of lease liabilities

1,864

Presented in statement of financial position

- Non-current	399
- Current	1,465
	<u>1,864</u>

27. Reconciliation of net cash flow movement in net debt

	Cash 2023 \$000	Leases 2023 \$000	Borrowings 2023 \$000	Total 2023 \$000
Net debt at 1 January 2023	7,720	(3,036)	(5,268)	(584)
Proceeds from borrowings	-	(117)	(19,361)	(19,478)
Repayment of borrowings	-	1,390	21,963	23,353
Interest payment	-	108	1,215	1,323
Other non-cash movements	-	(100)	-	(100)
Other cash movements	2,351	(109)	(1,561)	681
Net debt at 31 December 2023	<u>10,071</u>	<u>(1,864)</u>	<u>(3,012)</u>	<u>5,195</u>

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2023

28. 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.

29. Prior period restatement of the financial statements

During the preparation of the financial statements an immaterial error was noted in the accounting for exchange losses arising on translation of non-USD operations for the year ended 31 December 2022. This resulted in exchange losses of \$455k being incorrectly recognised in administrative expenses in the profit or loss statement, rather than being included within other comprehensive income as required under the group's accounting policies (see note 2.9).

The result of this in the 31 December 2022 financial statements was an overstatement of the loss for the year of \$455k and an understatement of other comprehensive losses of the same amount. Correspondingly retained earnings and other reserves were misstated by \$455k at the year end as well. There was no impact from this error on either total comprehensive income or net assets of the group. All comparative financial information in statements and notes impacted by this restatement include "As restated".

30. Analysis of amounts recognised in other comprehensive income

	Other reserves
	\$000
Exchange gains/(loss) arising on translation on non-USD operations	199
	<u>199</u>
	<u><u>199</u></u>
	Other reserves
	\$000
Exchange gains/(loss) arising on translation on non-USD operations	(705)
	<u>(705)</u>
	<u><u>(705)</u></u>

31. Events after the reporting date

As part of the rationalisation of the group's operations the US components of the group, these being Satellite Acquisition Corporation and Raven Antenna Systems Inc, 100% owned subsidiaries of the company, were placed into receivership effective from 10 July 2024.

This represents an adjusting event after the reporting date for the group. This is as conditions were substantially in place at 31 December 2023 to know that the US business was struggling financially. The group's statement of financial position included goodwill relating to the US components of \$1,156,000 as at the date those components lost the financial support of the ultimate parent company and entered receivership. To this end the value of this goodwill is considered to be impaired to a negligible value and as such this impairment has been recognised within Other operating charges.