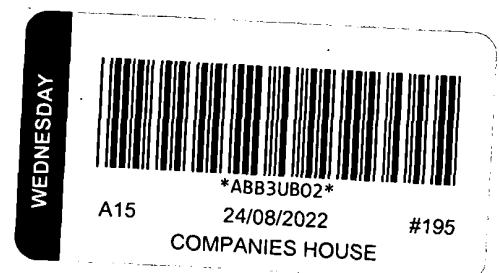


Registered number: 06743598

Global Invacom Holdings Limited

**Annual report and Financial statements
for the year ended 31 December 2021**



Global Invacom Holdings Limited

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Global Invacom Holdings Limited

Company Information

Directors	J S Parfitt A B Taylor
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
Bankers	Lloyds Bank PLC Beehive Ring Road Gatwick West Sussex RH6 0PA
Solicitors	Furley Page LLP 39 St Margaret's Street Canterbury Kent CT1 2TX

Global Invacom Holdings Limited

Group strategic report for the year ended 31 December 2021

Introduction

The Directors present their strategic report together with the audited financial statements for the year ended 31 December 2021.

Principal activity

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

Business review

The net results show a loss of (\$1.8m) for the year ended 31 December 2021 (2020: \$4.7 million profit). Revenues decreased by 20.3% on the prior year (2021 \$79.3m, 2020 \$99.5m) with gross margins decreasing by 6.3% from 24.8% in 2020 to 18.5% in 2021. The results for the year are shown on page 15.

2021 has been another challenging year for Global Invacom in the wake of Covid19. Lack of consistent availability and supply of the core semiconductors used in our DTH LNB products has meant that we were unable to meet the demand for products from our broadcaster customers, hampering service, sales and profitability. We have further been hampered by lack of availability of ships for transportation, extended sailing timescales, delays in landing containers and lack of availability of trucks both to deliver raw materials for ourselves and finished goods to our customers.

Once again on behalf of myself and the board, I need to thank our teams around the world for not only keeping the business running, but also going to extraordinary lengths to keep essential product getting to our customers.

Our strategic direction remains unchanged, but like many of our customers & competitors we need our supply chains to begin to return to a level of normality. We remain well positioned for a constructive 2022, as the global economy recovers and the demand for uninterrupted world wide data connectivity expands.

FY 2021 FINANCIAL REVIEW

The decrease in revenue year on year of (\$20.2m) was driven by a shortage of electronic and mechanical components which was compounded by a drop in gross margin of 6.3% due to higher material and freight costs in 2021

Administrative expenses decreased to \$18.8m in FY2021 from \$19.9 million in FY2020, due to reduction in travelling, marketing and trade shows during this pandemic period as well as a targeted reduction in headcount in line with the revenue.

DIVIDEND

No dividend has been declared for FY2021 in light of the continued economic uncertainty relating to the COVID 19 pandemic and the resulting operating conditions faced by the group.

STRATEGIC DIRECTION AND OUTLOOK

Despite the challenges presented by COVID 19, 2021 was still a constructive year for the group as an essential supplier for industries throughout the pandemic and our continued commitment to develop new products for our key customers.

The global pandemic continues to take centre stage in providing the economic backdrop for 2021 and the Group's performance continues to be impacted by the impact COVID 19 has had on our customers and their customers and associated markets in addition to the ongoing worldwide disruption and uncertainty. The health and safety of our staff, partners, suppliers, and customers has remained our priority throughout 2021. Global Invacom has always been a people driven business, that continues to be the case, with teams across the Group and around the world being essential to our ongoing success.

Global Invacom Holdings Limited

Group strategic report (continued) for the year ended 31 December 2021

The impact of the COVID 19 related restrictions, including lockdowns in many countries in which we operate and the much publicised disruption to global supply chains has delayed the deployment of newly developed products that we believe will substantially increase satellite data usage and increase mobile data capacity around the world. We expect demand for these products to start in 2022 when new data based satellites are launched.

The Group continues to see increased demand for DOS technology and services, as consumer appetite for constant connectivity grows, meaning ever growing data consumption across all geographies. The Starlink LEO (Low Earth Orbit) constellation is beta testing in several countries around the world. Telesat has announced the development of a LEO constellation to be called Light speed, One web is getting close to completing it's LEO constellation and SES is launching it's first batch of MEO (Medium Earth Orbit) O3B mPower satellites early 2022 to enhance it's existing MEO network O3B.

The Group remains well positioned to benefit from the recovery of the global economy and the continued growth of its target, DOS market. As worldwide COVID 19 vaccination programmes have their desired effect and demand begins to normalise, Global Invacom's products will continue to play a significant role in meeting the continued growth in demand for data and connectivity.

SUSTAINABILITY

The Group has produced its fifth Sustainability Report, covering the period from 1 January 2021 to 31 December 2021. As a business, maintain our focus on promoting sustainable practices and operations and being a good corporate citizen. 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. The Sustainability Report will also feature an update on the Group's key performance indicators in various areas.

APPRECIATION

Personally, and on behalf of the Board, I would like to express my sincere thanks to our employees, business partners, customers and shareholders for their loyalty and continued support during this once in a lifetime social and economic challenge. It is only through the dedication and professionalism of our global teams and partners that we have remained profitable this year and are able to look ahead to 2022 with confidence.

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 2021 \$000	Year ended 31 December 2020 \$000
Turnover	79,345	99,467
Gross profit margin (%)	19	25

Global Invacom Holdings Limited

Group strategic report (continued) for the year ended 31 December 2021

ii. Financial position

CURRENT ASSETS

Net current assets of \$6.2m as at 31 December 2020 have decreased by an amount of \$0.8m to \$5.4 million as at 31 December 2021.

NON CURRENT ASSETS

Non current assets have decreased to an amount of \$18.4 million from \$21.1 million in the prior year which is largely attributable to the amortisation and depreciation for the year exceeding the cost of additions.

CASH POSITION

Net cash has decreased by an amount of \$0.2m as at 31 December 2021.

NON-FINANCIAL

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

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

Principal risks and uncertainties

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

Business risk

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

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

The Group may be subject to the risk of sourcing materials and components required for its business at reasonable prices or in sufficient quantities due to adverse conditions in countries out of the Group's control. This has become increasingly apparent as a result of the on going COVID 19 pandemic. The Group has been able to mitigate the impact of the pandemic through its implementation of safe working practices and risk assessments which has allowed it to keep producing as an essential supplier during this period. The geographical diversity of the Group has also benefitted it as a whole by reducing the risk of a single infection halting all activities across the Group.

Global Invacom Holdings Limited

**Group strategic report (continued)
for the year ended 31 December 2021**

Principal risks and uncertainties

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

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

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

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

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

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

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

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



A B Taylor
Director

Date: 15/8/2022

Global Invacom Holdings Limited

Directors' report for the year ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Information included in strategic report

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

Directors

The directors who served during the year were:

M J Burrell (resigned 1 July 2021)
J S Parfitt
A B Taylor

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 judgments 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 2021

Future developments

The Group intends to build on the results for the year ended 31 December 2021 working closely with its customers to provide solutions and product improvements. It will review potential acquisition targets where it is perceived that this will add to the range of product and skills currently available.

Dividends

Dividends of \$Nil were paid in the year ended 31 December 2021 (2020: \$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 2021**

Greenhouse gas emissions, energy consumption and energy efficiency action

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

	2021	2020
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)	2,274	2,581
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)	2,578	2,635
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>19,215,092</u>	<u>20,965,235</u>

Where possible we have increased the use of video conferencing technology for meetings with suppliers and customers to reduce the need for travel between sites.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per \$1,000 of revenues. This equates to \$0.06 (2020: \$0.05) for the year.

Disclosure of information to auditors

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

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

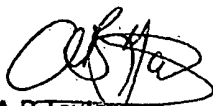
Post year end events

There have been no significant events affecting the Group and Company since the year end. The on-going impact of the Covid-19 pandemic has been considered in note 2.5 to these financial statements.

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.



A B Taylor
Director

Date: 15/8/2022

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 2021 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the Company statement of financial position, the consolidated statement of cash flows, the Company statement of cash flows, the consolidated statement of changes in equity, the company statement of changes in equity and the related notes, including a summary of significant accounting policies set out on pages 24 - 33. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Global Invacom Holdings Limited

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the group strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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, taxation and pension legislation. 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
- review of cash and credit card expenditure to confirm no evidence of personal benefit; and
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- performing analytical procedures to identify unusual or unexpected relationships that may indicate risk of material misstatement due to fraud; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax authorities; and
- review of internal controls and physical inspection of tangible assets 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.

Global Invacom Holdings Limited

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

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

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

Global Invacom Holdings Limited

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

Use of our report

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

Kreston Reeves LLP

Michael Cook BA (Hons) FCA (senior statutory auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 22 August 2022

Global Invacom Holdings Limited

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2021**

	Note	2021 \$000	2020 \$000
Revenue	5	79,345	99,467
Cost of sales		<u>(64,671)</u>	<u>(74,729)</u>
Gross profit		14,674	24,738
Other operating income		2,832	1,683
Administrative expenses		<u>(18,807)</u>	<u>(19,942)</u>
(Loss)/profit from operations	6	(1,301)	6,479
Finance income	8	-	21
Finance expense	8	(1,033)	(1,264)
Loss on disposal of associate		<u>(8)</u>	<u>-</u>
(Loss)/profit before tax		(2,342)	5,236
Tax credit/(expense)	9	<u>587</u>	<u>(517)</u>
(Loss)/profit for the year		(1,755)	4,719
Other comprehensive income:			
Items that will or may be reclassified to profit or loss:			
Exchange gains arising on translation on foreign operations		<u>(177)</u>	<u>277</u>
Total comprehensive income		<u>(1,932)</u>	<u>4,996</u>

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

All amounts relate to continuing operations.

The notes on pages 23 to 56 form part of these financial statements.

Global Invacom Holdings Limited
Registered number: 06743598

Consolidated statement of financial position
as at 31 December 2021

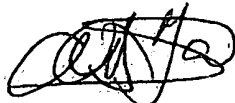
	Note	2021 \$000	2020 \$000
Assets			
Non-current assets			
Property, plant and equipment	14	12,866	15,304
Intangible assets	12	3,747	4,339
Other non-current investments		-	63
Deferred tax assets	9	1,780	1,363
		<u>18,393</u>	<u>21,069</u>
Current assets			
Inventories	18	24,729	26,331
Trade and other receivables	17	17,890	11,970
Cash and cash equivalents		8,939	9,122
		<u>51,558</u>	<u>47,423</u>
Total assets		<u>69,951</u>	<u>68,492</u>
Liabilities			
Non-current liabilities			
Trade and other liabilities	23	152	124
Loans and borrowings	28	2,989	4,582
Deferred tax liability	9	646	634
		<u>3,787</u>	<u>5,340</u>
Current liabilities			
Bank overdraft		-	344
Trade and other liabilities	23	39,099	36,376
Loans and borrowings	28	7,047	4,481
		<u>46,146</u>	<u>41,201</u>
Total liabilities		<u>49,933</u>	<u>46,541</u>
Net assets		<u>20,018</u>	<u>21,951</u>

Global Invacom Holdings Limited
Registered number: 06743598

Consolidated statement of financial position (continued)
as at 31 December 2021

	Note	2021 \$000	2020 \$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		655	655
Other reserves	22	(14,917)	(14,740)
Retained earnings		30,295	32,051
		<u>20,018</u>	<u>21,951</u>
TOTAL EQUITY		<u>20,018</u>	<u>21,951</u>

The financial statements on 4 to 56 were approved and authorised for issue by the board of directors and were signed on its behalf by:



A B Taylor
Director

Date: 15/8/2022

The notes on 23 to 56 form part of these financial statements.

Global Invacom Holdings Limited

Consolidated statement of changes in equity
for the year ended 31 December 2021

	Share capital \$000	Share premium \$000	Capital redemption reserve \$000	Other reserves \$000	Retained earnings \$000	Total attributable to equity holders of parent \$000	Total equity \$000
At 1 January 2020	48	3,937	655	(15,017)	27,332	16,955	16,955
Comprehensive income for the year							
Profit for the year	-	-	-	-	4,719	4,719	4,719
Other comprehensive income	-	-	-	277	-	277	277
Total comprehensive income for the year	-	-	-	277	4,719	4,996	4,996
At 31 December 2020	48	3,937	655	(14,740)	32,051	21,951	21,951
At 1 January 2021	48	3,937	655	(14,740)	32,051	21,951	21,951
Comprehensive income for the year							
Loss for the year	-	-	-	-	(1,755)	(1,755)	(1,755)
Other comprehensive income	-	-	-	(177)	-	(177)	(177)
Total comprehensive income for the year	-	-	-	(177)	(1,755)	(1,932)	(1,932)
At 31 December 2021	48	3,937	655	(14,917)	30,296	20,019	20,019

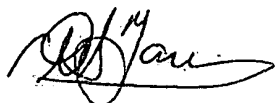
The notes on 23 to 56 form part of these financial statements.

Global Invacom Holdings Limited
Registered number: 06743598

Company statement of financial position
as at 31 December 2021

	Note	2021 \$000	2020 \$000
Assets			
Non-current assets			
Other non-current investments		28,012	28,020
		<u>28,012</u>	<u>28,020</u>
Current assets			
Trade and other receivables	17	2	254
Cash and cash equivalents		231	6
		<u>233</u>	<u>260</u>
Total assets		<u><u>28,245</u></u>	<u><u>28,280</u></u>
Liabilities			
Non-current liabilities			
Current liabilities			
Trade and other liabilities	23	21,171	20,593
		<u>21,171</u>	<u>20,593</u>
Total liabilities		<u><u>21,171</u></u>	<u><u>20,593</u></u>
Net assets		<u><u>7,074</u></u>	<u><u>7,687</u></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		3,083	3,696
TOTAL EQUITY		<u><u>7,074</u></u>	<u><u>7,687</u></u>

The financial statements on 4 to 56 were approved and authorised for issue by the board of directors and were signed on its behalf by:



A B Taylor
 Director

Date: 15/08/2022

The notes on 23 to 56 form part of these financial statements.

Global Invacom Holdings Limited

**Company statement of changes in equity
for the year ended 31 December 2021**

	Share capital \$000	Share premium \$000	Other reserves \$000	Retained earnings \$000	Total equity \$000
At 1 January 2020	48	3,937	6	4,310	8,301
Loss for the year					
Loss for the year	-	-	-	(614)	(614)
Total comprehensive income for the year	-	-	-	(614)	(614)
Contributions by and distributions to owners					
At 31 December 2020	48	3,937	6	3,696	7,687
At 1 January 2021	48	3,937	6	3,696	7,687
Loss for the year					
Loss for the year	-	-	-	(613)	(613)
Total comprehensive income for the year	-	-	-	(613)	(613)
At 31 December 2021	48	3,937	6	3,083	7,074

The notes on pages 23 to 56 form part of these financial statements.

Global Invacom Holdings Limited

**Consolidated statement of cash flows
for the year ended 31 December 2021**

	2021	2020
	\$000	\$000
Cash flows from operating activities		
(Loss)/profit for the year	(1,755)	4,719
Adjustments for		
Depreciation of property, plant and equipment	3,322	4,045
Amortisation of intangible fixed assets	591	813
Impairment loss on other financial assets	8	-
Finance income	-	(21)
Finance expense	1,033	1,264
Gain on lease modifications	(67)	-
Gain on sale of property, plant and equipment	-	(21)
Write off trade receivables	-	(32)
Bad debts written back	(113)	-
Inventory provision movement	(712)	(434)
Net foreign exchange loss	195	182
Income tax expense	(587)	517
	<u>1,915</u>	<u>11,032</u>
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(5,335)	7,670
Decrease/(increase) in inventories	2,314	(5,550)
Increase/(decrease) in trade and other payables	1,621	(3,085)
	<u>515</u>	<u>10,067</u>
Cash generated from operations	515	10,067
Income taxes paid	-	(481)
	<u>515</u>	<u>9,586</u>
Net cash from operating activities	515	9,586
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,063)	(1,999)
Proceeds from disposal of property, plant and equipment	-	76
Interest received	-	21
Interest paid	(137)	(374)
	<u>(1,200)</u>	<u>(2,276)</u>
Net cash used in investing activities	(1,200)	(2,276)

Global Invacom Holdings Limited

**Consolidated statement of cash flows (continued)
for the year ended 31 December 2021**

	2021 \$000	2020 \$000
Cash flows from financing activities		
Proceeds from borrowings	34,764	43,230
Borrowings paid	(32,527)	(45,724)
Payment of lease liabilities	(1,721)	(1,462)
Net cash from/(used in) financing activities	516	(3,956)
Net cash (decrease)/increase in cash and cash equivalents	(169)	3,354
Cash and cash equivalents at the beginning of year	9,109	5,689
Exchange gains on cash and cash equivalents	13	66
Cash and cash equivalents at the end of the year	8,953	9,109

The notes on 23 to 56 form part of these financial statements.

Reconciliation of net cash flow to movement in net debt

	Lease Liabilities \$'000	Borrowings \$'000	Total \$'000
Net debt as at 1 January 2021	6,063	18,844	24,907
Cash flows:			
Proceeds from borrowings	-	34,764	34,764
Repayment of borrowings	(1,721)	(32,527)	(34,248)
Interest payment	(205)	-	(205)
Accrued interest	205	720	925
Modifications	(67)	-	(67)
Foreign exchange differences	181	(256)	(75)
Net debt as at 31 December 2021	4,456	21,545	26,001

The notes on pages 23 to 56 form part of these financial statements.

Global Invacom Holdings Limited

**Company statement of cash flows
for the year ended 31 December 2021**

	2021	2020
	\$000	\$000
Cash flows from operating activities		
Loss for the year	(613)	(614)
Adjustments for		
Finance expense	548	562
Loss on disposal of associate	8	-
	<u>(57)</u>	<u>(52)</u>
Movements in working capital:		
Decrease in trade and other receivables	252	-
Increase in trade and other payables	21	517
	<u>216</u>	<u>465</u>
Cash generated from operations	216	465
Net cash from operating activities	216	465
Cash flows from investing activities		
Cash flows from financing activities		
Repayment of bank borrowings	9	(459)
	<u>9</u>	<u>(459)</u>
Net cash from/(used in) financing activities	9	(459)
Net cash increase in cash and cash equivalents	225	6
Cash and cash equivalents at the beginning of year	6	-
	<u>6</u>	<u>-</u>
Cash and cash equivalents at the end of the year	231	6
	<u>231</u>	<u>6</u>

The notes on 23 to 56 form part of these financial statements.

Reconciliation of net cash flow to movement in net debt

	Borrowings	Total
	\$'000	\$'000
Net debt as at 1 January 2021	20,522	20,522
Cash flows:		
Proceeds from borrowings	-	-
Repayment of borrowings	9	9
Non cash movement:		
Accrued interest	548	548
Foreign exchange differences	-	-
Net debt as at 31 December 2021	<u>21,079</u>	<u>21,079</u>

The notes on pages 23 to 56 form part of these financial statements.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

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 principle activity is disclosed on page 3.

2. Accounting policies

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

2.1 Basis of consolidation

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

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

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

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

2.2 Business combinations

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

2.3 Statement of compliance with IFRS

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

2.4 Financial assets and liabilities

a) Non-derivative financial assets

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

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.4 Financial assets and liabilities (continued)

a) Non-derivative financial assets (continued)

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

The Group has the following non-derivative financial assets:

b) Loans and receivables

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

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

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

c) Non-derivative financial liabilities

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

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

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

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

2.5 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. They have also considered the on-going economic impact of the Covid-19 global pandemic, and consider this to not have a material impact on the entity. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.6 Changes in accounting policy and disclosure

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

2.7 Goodwill

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.8 Property, plant and equipment

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

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

2.9 Foreign currency

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

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

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

2.10 Inventories

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

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.11 Revenue

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

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

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

2.12 Employee benefits

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

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

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

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

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

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

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

2.13 Share capital

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

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.14 Leasing

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

2.15 Taxation

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

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

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

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

2.16 Research and development expenditure

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

2.17 Intangible assets

Capitalised development costs

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

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.17 Intangible assets (continued)

Intellectual property rights

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

2.18 Impairment

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

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

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

2.19 Trade payables

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

2.20 Trade receivables

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

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.21 Share-based payments

(i) Share-based payment transactions of the Company

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

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

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

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

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

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

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

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.22 Provisions

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

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

2.23 Cash and cash equivalents

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

2.24 Financial instruments

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

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

2.25 Financial assets

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

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

2.26 Financial liabilities and equity instruments

(i) Classification as debt or equity

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

(ii) Equity instruments

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

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.26 Financial liabilities and equity instruments (continued)

(iii) Compound instruments

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

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

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

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

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 2021

4. Accounting estimates and judgments

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.

vii. 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 2021**

5. Revenue

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

	2021	2020
	\$000	\$000
Sale of goods	79,345	99,467

Analysis of revenue by country of destination:

	2021	2020
	\$000	\$000
United Kingdom	20,973	68,387
Rest of Europe	6,285	22,830
Rest of the world	49,929	6,022
Asia	2,158	2,228
	79,345	99,467

6. Operating profit

Operating profit is stated after charging the following:

	2021	2020
	\$000	\$000
Cost of inventories recognised as an expense	64,477	74,729
Depreciation of property, plant and equipment	3,322	4,045
Amortisation of intangible expenses	591	813
Auditors remuneration - Statutory audit	128	120
Research and development expense	3,837	1,589

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

7. Employee benefits and key management compensation

Group

	2021	2020
	\$000	\$000
Wages and salaries	16,496	17,651
National insurance	660	106
Defined contribution pension cost	292	1,756
Social security contributions and similar taxes	526	1,337
	17,974	20,850

During the year ended 31 December 2021, \$534 thousand of employee benefits were recharged to Global Invacom Group Ltd (2020: \$456 thousand).

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

	2021	2020
	No.	No.
Design and administration	294	366

Directors' remuneration:

	2021	2020
	\$000	\$000
Emoluments	503	680
Other long term benefits (defined contribution pension scheme)	14	6
Social security	62	88
	579	774

Information regarding the highest paid director is as follows:

	2021	2020
	\$000	\$000
Emoluments	322	294
Other long term benefits (defined contribution pension scheme)	6	6
Social security	41	38
	369	338

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

8. Interest receivable and interest payable

	2021	2020
	\$000	\$000
Interest receivable	-	21
	<u> </u>	<u> </u>
	2021	2020
	\$000	\$000
Interest payable	1,033	1,264
	<u> </u>	<u> </u>

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

9. Tax expense

9.1 Income tax recognised in profit or loss

	2021	2020
	\$000	\$000
Current tax		
Current tax on profits for the year	(91)	632
Total current tax	<u>(91)</u>	<u>632</u>
Deferred tax expense		
Origination and reversal of timing differences	(496)	(115)
Total deferred tax	<u>(496)</u>	<u>(115)</u>
Tax expense excluding tax on sale of discontinued operation and share of tax of equity accounted associates and joint ventures	<u>(587)</u>	<u>517</u>

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

	2021	2020
	\$000	\$000
(Loss)/profit for the year	(1,756)	4,720
Income tax expense (including income tax on associate, joint venture and discontinued operations)	(587)	517
(Loss)/profit before income taxes	<u>(2,343)</u>	<u>5,237</u>
Tax using the Company's domestic tax rate of 19% (2020:19%)	(445)	995
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	(45)	76
Other timing differences leading to an increase/(decrease) in taxation	-	(414)
Other differences leading to an increase/(decrease) in the tax charge	(97)	(140)
Total tax expense	<u>(587)</u>	<u>517</u>

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

9. Tax expense (Continued)

Deferred taxation liability:

	2021 \$000	2020 \$000
Opening liability	633	428
Overprovision of previous year	-	-
Deferred taxation charge for the year	(427)	273
Effect of foreign translation	441	(67)
Closing liability	647	634

	2021 \$000	2020 \$000
Fixed asset timing differences	282	612
Short term timing differences	365	22
	647	634

Deferred taxation asset:

	2021 \$000	2020 \$000
Opening Asset	1,363	975
Deferred taxation charge for the year	69	388
Effect of foreign translation	348	-
Closing Asset	1,780	1,363

	2021 \$000	2020 \$000
Fixed asset timing differences	(515)	590
Losses carried forward for utilisation in future periods	2,295	773
	1,780	1,363

No deferred tax asset has been recognised for losses carried forward of the Company's subsidiary Global Skyware Limited (previously GI Provision Limited) totalling \$1.6 million (2020: \$1.9 million).

10. Parent company profit for the year

The company has taken the advantage of the exemption allowed under section 408 of the Company's Act 2006 and has not presented its own statement of comprehensive income in the financial statements. The loss after tax of the parent company for the year was \$613k (2020: \$614k).

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

11. Dividend

During the year, interim dividends of £Nil (2020: £Nil) were declared on ordinary share capital.

12. Intangible assets

Group

	Goodwill \$000	Intellectual property rights \$000	Capitalised development costs \$000	Total \$000
Cost				
At 1 January 2020	2,049	2,396	5,112	9,557
At 31 December 2020	2,049	2,396	5,112	9,557
At 31 December 2021	2,049	2,396	5,112	9,557
Accumulated amortisation and impairment				
At 1 January 2020	-	428	3,977	4,405
Charge for the year - owned	-	272	541	813
At 31 December 2020	-	700	4,518	5,218
Charge for the year - owned	-	65	528	593
At 31 December 2021	-	765	5,046	5,811
Net book value				
At 1 January 2020	2,049	1,968	1,135	5,152
At 31 December 2020	2,049	1,696	594	4,339
At 31 December 2021	2,049	1,631	66	3,746

Capitalised development costs

The amounts include costs capitalised by the Company's subsidiary Global Invacom Limited relating to a semiconductor product with a carrying amount of \$Nil (2020: \$232 thousand), and a DCSS LNB product with a carrying amount of \$Nil (2020: \$75 thousand). Both products continue to be developed. The semiconductor product commenced amortisation from 1 October 2015 whilst the DCSS LNB commenced amortisation from 1 November 2016.

Management have performed a review for impairment to the costs capitalised for all Group projects at 31 December 2021.

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

13. Goodwill

Group

	2021	2020
	\$000	\$000
Cost	2,049	2,049
	2,049	2,049
	2021	2020
	\$000	\$000
Cost		
At 1 January	2,049	2,049
At 31 December	2,049	2,049
Accumulated impairment		
At 31 December	-	-

13.1 Allocation of goodwill to cash generating units

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

	2021	2020
	\$000	\$000
OnePath Networks Limited	893	893
Satellite Acquisition Incorporation	1,156	1,156
	2,049	2,049

OnePath Networks Limited

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

Satellite Acquisition Incorporation

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

Global Invacom Holdings Limited

Notes to the consolidated financial statements
for the year ended 31 December 2021

14. Property, plant and equipment

Group

	Freehold property \$000	Long-term leasehold property \$000	Plant and machinery \$000	Motor vehicles \$000	Construct'n in progress \$000	Computer equipment \$000	Right of use asset \$000	Total \$000
Cost or valuation								
At 1 January 2020	2,807	1,084	15,926	40	393	6,934	8,601	35,785
Additions	-	104	1,487	-	-	408	-	1,999
Disposals	-	(10)	(146)	-	(23)	-	-	(179)
Foreign exchange movements	76	187	(187)	-	-	53	190	319
At 31 December 2020	2,883	1,365	17,080	40	370	7,395	8,791	37,924
Additions	-	97	814	-	-	152	147	1,210
Disposals	(12)	(116)	(527)	-	-	-	(546)	(1,201)
Transfers between classes	-	-	370	-	(370)	-	-	-
Foreign exchange movements	-	-	-	-	-	-	(15)	(15)
At 31 December 2021	2,871	1,346	17,737	40	-	7,547	8,377	37,918

Global Invacom Holdings Limited

Notes to the consolidated financial statements
for the year ended 31 December 2021

14. Property, plant and equipment (continued)

	Freehold property \$000	Long-term leasehold property \$000	Plant and machinery \$000	Motor vehicles \$000	Construct'n in progress \$000	Computer equipment \$000	Right of use asset \$000	Total \$000
Accumulated depreciation and impairment								
At 1 January 2020	846	1,001	8,843	40	-	6,370	1,576	18,676
Charge owned for the year	79	48	1,951	-	-	468	1,499	4,045
Disposals	-	-	(101)	-	-	-	-	(101)
At 31 December 2020	925	1,049	10,693	40	-	6,838	3,075	22,620
Charge owned for the year	-	80	1,541	-	-	219	1,482	3,322
Disposals	(12)	(116)	(527)	-	-	-	(218)	(873)
Exchange adjustments	44	71	(9)	-	-	(10)	(113)	(17)
At 31 December 2021	957	1,084	11,698	40	-	7,047	4,226	25,052
Net book value								
At 1 January 2020	1,961	83	7,083	-	393	564	7,025	17,109
At 31 December 2020	1,958	316	6,387	-	370	557	5,716	15,304
At 31 December 2021	1,914	262	6,039	-	-	500	4,151	12,866

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

15. Investments - Group

	Unlisted equity securities \$000
Cost and net book value	
At 31 December 2020	8
Disposal	(8)
At 31 December 2021	<u>-</u>
	\$000
Cost and net book value	
At 31 December 2019	8
At 31 December 2020	<u>8</u>

The above unlisted equity securities relate to the Group's 49% interest in the share capital of Fibre TV to Home Ltd, acquired for \$8 thousand in 2009. Fibre TV to Home Ltd, located in the United Kingdom, provides end to end TV Services, Digital Terrestrial TV and Digital Audio Broadcast Radio digital TV and radio solutions for housing developments, apartment blocks and offices.

The activities of Fibre TV to Home Ltd are in a development stage and the Group considers their share of the associate's results are not significant. The Group has therefore not accounted for Fibre TV to Home Ltd on an equity basis.

During the year, the directors decided to dispose of the investment in Fibre TV to Home Ltd.

16. Investments - Parent company

	Shares in Group undertakings \$'000	Unlisted equity securities \$'000	Total \$'000
Cost and net book value			
At 31 December 2020	28,012	8	28,020
Disposal	-	(8)	(8)
At 31 December 2021	<u>28,012</u>	<u>-</u>	<u>28,012</u>
	\$'000	\$'000	\$'000
Cost and net book value			
At 31 December 2019	28,012	8	28,020
Impairment	-	-	-
At 31 December 2020	<u>28,012</u>	<u>8</u>	<u>28,020</u>

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

16. Investments - Parent company (Continued)

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 2021**

17. Trade and other receivables

Group

	2021	2020
	\$000	\$000
Trade receivables	12,779	10,049
Trade receivables - net	12,779	10,049
Receivables from related parties	582	314
Total financial assets other than cash and cash equivalents classified as loans and receivables	13,361	10,363
Prepayments and accrued income	733	1,420
Other receivables	3,796	187
Total trade and other receivables	17,890	11,970
Less: current portion - trade receivables	(12,779)	(10,049)
Less: current portion - prepayments and accrued income	(733)	(1,420)
Less: current portion - other receivables	(3,796)	(187)
Less: current portion - receivables from related parties	(582)	(314)
Total current portion	(17,890)	(11,970)
Total non-current portion	-	-

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

Amounts receivable from customer are non-interest bearing and are generally on 30 day terms. The Group considers the credit quality of these trade receivables to be good. The ageing of the group's trade receivables which are over due by 60 days or more but not impaired are as follows: \$Nil (2020: \$Nil).

Company

	2021	2020
	\$000	\$000
Receivables from related parties	-	254
Other receivables	2	-
	2	254

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

18. Inventories

Group

	2021	2020
	\$000	\$000
Raw materials	10,436	14,909
Work in progress	1,987	1,859
Finished goods	12,306	9,563
Total inventories	24,729	26,331
		2021
		\$000
Stock provision		
As at 1 January 2020		1,691
Additional provision		(712)
		979

19. Cash and cash equivalents

	Group	Group	Company	Company
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Bank balances and cash	8,939	9,122	231	6

The Group has issued a debenture over the Group's assets to its bankers in connection with an agreed bank overdraft facility of £2,500 thousand, equivalent to \$3,376 thousand at 31 December 2021 (2020: £2,500 thousand, equivalent to \$3,408 thousand).

The Group has a facility with Lloyds Bank PLC of £1,000 thousand from which a duty deferment guarantee is in place with HMRC and Lloyds Bank PLC for £1,000 thousand, equivalent to \$1,350 thousand at 31 December 2021 (2020: £1,000 thousand, equivalent to \$1,363 thousand).

Upon extinguishing its previous line of credit on 1 May 2017, Raven Antenna Systems entered into a line of credit agreement with a new bank with available borrowings of \$7,000 thousand extended over a 5 year term, expiring 1 May 2022. Borrowings for revolving advance are limited to specific assets as collateral, 85% if eligible accounts receivable and up to 65% of eligible inventory.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

20. Share capital and share premium

	Number of shares	Share capital \$'000	Share premium \$'000
At 31 December 2020 and 31 December 2021	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 2021 was £1,000 thousand 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"). An expense of \$4 thousand (2019: \$1 thousand) has been included in administrative expenses for the year ended 31 December 2020 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 2021**

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 2021	11,970	0.231
Granted	-	-
Lapsed	-	-
Outstanding at 31 December 2021	<u>11,970</u>	<u>0.231</u>

Weighted average remaining contractual life: 3.18 years (2020: 4.18 years).

01.01.20 '000	Granted '000	Exercised /lapsed '000	31.12.20 '000	Granted '000	Exercised /lapsed '000	31.12.21 '000	Exercise price	Exercise period
1,415	-	-	1,415	-	-	1,415	S\$0.17	7 July 2016 to 6 July 2023
1,415	-	-	1,415	-	-	1,415	S\$0.17	7 July 2016 to 6 July 2023
-	-	-	-	-	-	-	S\$0.20	21 August 2016 to 20 August 2023
-	-	-	-	-	-	-	S\$0.20	21 August 2017 to 20 August 2023
3,120	-	-	3,120	-	-	3,120	S\$0.311	22 June 2016 to 21 June 2025
3,120	-	-	3,120	-	-	3,120	S\$0.311	22 June 2017 to 21 June 2025
1,450	-	-	1,450	-	-	1,450	S\$0.120	9 March 2018 to 8 March 2026
1,450	-	-	1,450	-	-	1,450	S\$0.120	9 March 2019 to 8 March 2026
<u>11,970</u>	<u>-</u>	<u>-</u>	<u>11,970</u>	<u>-</u>	<u>-</u>	<u>11,970</u>		

There were no share options exercised or granted in the year ended 31 December 2021. Options issued in prior years were priced using a binomial option pricing model. Where relevant, the expected life used in the model has been adjusted on management's best estimate for the effects of non-transferability, Exercise restrictions and behavioural considerations. Expected volatility is based on competitors historical share price volatility. To allow for the effects of early exercise, it was assumed that executives and senior employees would exercise the options after the vesting date when the share price was 50% above the level as at the date of the grant.

The fair value of the share options outstanding as at 31 December 2021 is materially aligned with the above.

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

22. Reserves

	Merger reserve	Equity Contribut'n reserve	Translation reserve	Total
	\$'000	\$'000	\$'000	\$'000
At 31 December 2019	(14,215)	6	(808)	(15,017)
Foreign exchange of translation of foreign subsidiary	-	-	277	277
As at 31 December 2020	(14,215)	6	(531)	(14,740)
Foreign exchange on translation of foreign subsidiary	-	-	(177)	(177)
As at 31 December 2021	(14,215)	6	(708)	(14,917)

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.

23. Trade and other payables

Group

	2021 \$000	2020 \$000
Trade payables	13,991	11,392
Payables to related parties	21,397	21,566
Other payables	1,023	792
Accruals	2,438	2,223
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	38,849	35,973
Other payables - tax and social security payments	404	527
Total trade and other payables	39,253	36,500
Less: current portion - trade payables	(13,991)	(11,392)
Less: current portion - payables to related parties	(21,397)	(21,566)
Less: current portion - other payables	(1,427)	(1,319)
Less: current portion - accruals	(2,285)	(2,099)
Total current portion	(39,100)	(36,376)
Total non-current position	152	124

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
for the year ended 31 December 2021**

23. Trade and other payables (Continued)

The group entered into a revolving credit agreement with Lloyds Bank Plc on 28 August 2020. As at 31 December 2021, the group had drawn down \$3,000 thousand of its revolving credit facility limit of \$6,000 thousand. The facility has a maturity date of 31 January 2022 and is secured by a composite guarantee for each subsidiary of Global Invacom Holdings Limited. During the current reporting period the group had a technical breach of its banking covenants because its did not meet two of the covenant test (Ratio of EBIT to Interest and Leverage or net borrowings to EBITDA). The impact of this breach is that the group is unable to draw down the additional \$3,000 thousand of its revolving credit facility without prior approval of the bank.

Company

	2021 \$000	2020 \$000
Amounts due to related parties	21,079	20,522
Trade payables	10	-
Other payables	2	2
Accruals	80	69
	<u>21,171</u>	<u>20,593</u>

24. Foreign exchange derivative instruments

From time to time the Group enters into forward foreign exchange contracts to sell US Dollars and to purchase Sterling in order to pay UK overheads. There were no such contracts in place during the year ended 31 December 2021 or the year ended 31 December 2020.

25. Related party transactions

	Company 2020 \$000			
Current assets				
Amounts due from The Waveguide Solutions Limited				254
				<u>254</u>
				<u>254</u>
	Group 2021 \$000	Group 2020 \$000	Company 2021 \$000	Company 2020 \$000
Current liabilities				
Borrowing due to Global Invacom Limited	-	-	6,035	5,022
Borrowings due to GIGL	15,965	15,500	15,044	15,500
Amounts due to GIGL group	5,432	6,066	-	-
	<u>21,397</u>	<u>21,566</u>	<u>21,079</u>	<u>20,522</u>

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

25. 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 2021:

Anthony B Taylor
Malcolm J Burrell (resigned 1 July 2021)

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

The director reported below holds GIGL shares and is a director of the Company at 31 December 2021:

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 2021 of \$534 thousand (2020: \$456 thousand).

c) Loan payable to Group subsidiaries

Between Global Skyware Limited and Global Invacom Limited

The management of the Company arranged for a subsidiary, Global Invacom Limited (GIL), to provide non-interest bearing loans to Global Skyware Limited (GSL) (previously GI Provision Limited), another subsidiary of the Company, in June, July and October 2011, April and October 2012, January and July 2013, April 2014 and June 2016. The amount drawdown by GSL at 31 December 2021 was £2,380 thousand, equivalent to \$3,214 thousand (2020: £2,380 thousand, equivalent \$3,248 thousand). The original agreements are for a term of five years from the date of draw down and the 2016 agreements are for two years, with the balance payable in full at the end of the term or on demand by GIL. No repayment was received by GIL from GSL during the year ended 31 December 2021 (2020: £Nil).

Between the Company and Global Invacom Limited

As at the year end, the company owed a balance of \$6,035 thousand (2020: \$5,022 thousand) to Global Invacom Limited with a net amount of £1,013 thousand being loaned during the year (2020: £460 thousand repaid). The loan is unsecured, interest free and repayable on demand.

d) Loan from parent company to Global Invacom Holdings Limited

On 10 November 2014, GIGL advanced a loan to GIHL of \$3,500 thousand, repayable on demand. The loan was advanced regarding the acquisition of 100% subsidiary OnePath Networks Limited. As at 31 December 2021, total repayment of the loan was \$3,000 thousand. The loan bears interest at the Bank of England base rate plus 4% and at 31 December 2021 interest of \$990 thousand had accrued (2020: \$739 thousand).

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

On 1 January 2017, GIGL advanced a loan to GIHL of \$8,774 thousand repayable on demand. The loan was advanced regarding the acquisition of Satellite Acquisition Corporation. The loan bears interest at the Bank of England base rate plus 4.25% and at 31 December 2021 interest of \$2,280 thousand had accrued (2020: \$1,811 thousand).

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

26. 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 8% of trade receivables (31% at 31 December 2020).

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 2021**

26. Financial risk management (Continued)

As at 31 December 2021	US Dollars \$'000	Sterling \$'000	Euros \$'000	Other \$'000	Total \$'000
Inventories	24,729	-	-	-	24,729
Trade receivables, other receivables and prepayments	13,578	3,696	-	616	17,890
Trade and other payables	(34,929)	(3,842)	-	(78)	(38,849)
Borrowings	(8,898)	(1,138)	-	-	(10,036)
Tax payable (net)	-	(404)	-	-	(404)
Cash and cash equivalents	9,695	(803)	-	47	8,939
	<u>4,175</u>	<u>(2,491)</u>	<u>-</u>	<u>585</u>	<u>2,269</u>
As at 31 December 2020	US Dollars \$'000	Sterling \$'000	Euros \$'000	Other \$'000	Total \$'000
Inventories	26,331	-	-	-	26,331
Trade receivables, other receivables and prepayments	8,985	2,656	-	329	11,970
Trade and other payables	(31,916)	(3,487)	-	(447)	(35,850)
Borrowings	(2,391)	(2,064)	-	(26)	(4,481)
Tax payable (net)	-	(527)	-	-	(527)
Cash and cash equivalents	8,022	500	-	600	9,122
	<u>9,031</u>	<u>(2,922)</u>	<u>-</u>	<u>456</u>	<u>6,565</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 2021 and year ended 31 December 2020.

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 2020 or 2021.

Global Invacom Holdings Limited

Notes to the consolidated financial statements for the year ended 31 December 2021

27. Ultimate parent undertaking

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

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

28. Loans and borrowings

Group

	2021 \$000	2020 \$000
Non-current		
Lease liabilities	2,989	4,582
	<u>2,989</u>	<u>4,582</u>
Current		
Overdrafts	-	344
Bank loans - secured	5,580	3,000
Lease liabilities	1,467	1,481
	<u>7,047</u>	<u>4,825</u>
Total loans and borrowings	<u><u>10,036</u></u>	<u><u>9,407</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 \$7,000 thousand. The original facility expired in May 2020, however this was extended to a 2 year term expiring on 1 May 2022. 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 2021 (2020: 3.5%). As at the year end, Raven Antenna Systems Inc. had borrowings under its line of credit of \$2,581 thousand (2020: \$343 thousand).

The group entered into a revolving credit agreement with Lloyds Bank Plc on 28 August 2020. As at 31 December 2021, the group had drawn down \$3,000 thousand of its revolving credit facility limit of \$6,000 thousand. The facility has a maturity date of 31 January 2022 and is secured by a composite guarantee for each subsidiary of Global Invacom Holdings Limited. During the current reporting period the group had a technical breach of its banking covenants because it did not meet two of the covenant test (Ratio of EBIT to Interest and Leverage or net borrowings to EBITDA). The impact of this breach is that the group is unable to draw down the additional \$3,000 thousand of its revolving credit facility without prior approval of the bank.

Global Invacom Holdings Limited

**Notes to the consolidated financial statements
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30. Loans and borrowings (Continued)

Lease Liabilities	Office premises & warehouse \$'000	Machinery & equipment \$'000	Motor vehicles \$'000	Total \$'000
Cost				
Balance at 1 January 2021	5,518	476	69	6,063
Additions	-	-	-	-
Interest expense	188	15	2	205
Modifications to lease terms	11	17	15	43
Lease payments				
- Principal portion	(1,538)	(172)	(11)	(1,721)
- Interest portion	(188)	(15)	(2)	(205)
Currency realignment	100	13	(42)	71
Balance at 31 December 2021	<u>4,098</u>	<u>327</u>	<u>31</u>	<u>4,456</u>

	\$'000
Contractual undiscounted cash flows	
- Not later than a year	1,629
- Later than 1 year but not later than 5 years	3,103
- More than 5 years	<u>4,765</u>
Less: Future interest charges	(309)
Present value of lease liabilities	<u>4,456</u>
Presented in statement of financial position	
- Non-current	2,989
- Current	1,467
	<u>4,456</u>