

Company Registration No. 11009144 (England and Wales)

**IX WIRELESS LIMITED**  
**ANNUAL REPORT AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# **IX WIRELESS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	P A Walker M Ellwood
<b>Company number</b>	11009144
<b>Registered office</b>	Ribble House Ribble Business Park Blackburn BB1 5RB
<b>Auditor</b>	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT

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# **IX WIRELESS LIMITED**

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# **IX WIRELESS LIMITED**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The directors present the strategic report for the year ended 31 December 2022.

#### **Fair review of the business**

The company's mission is to use a disruptive business model and technical solution to deliver ultra-fast broadband to consumers across the UK. The commercial advantage of the technical solution enables the company to successfully challenge traditional fibre network providers anywhere.

The continued roll-out has been facilitated by the successful conclusion in July 2022 of the fund raise process mentioned in last year's report which was undertaken by IX Wireless's holding company Cohiba Communications Limited.

The audited accounts as presented show a healthy balance sheet with net assets of £50m reflecting not only equity and loan investment by the group but a revaluation of the completed networks to reflect future cash flows.

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

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to competition, employee retention and the general state of the economy.

The directors believe that the company is well placed to embrace these challenges and deliver a strong financial performance in the future.

#### **Key performance indicators**

Given the nature of the business, the directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

On behalf of the board

P A Walker

**Director**

21 April 2023

## **IX WIRELESS LIMITED**

### **DIRECTORS' REPORT**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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

#### **Principal activities**

The principal activity of the company continued to be that of the delivery of ultra-fast broadband and supply of internet and telephony services.

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P A Walker

M Ellwood

#### **Political donations**

The company made the following political donations in the current year:

- Conservative party - £104,301 (2021: £72,300)

#### **Future developments**

The company is reliant on funding being provided by other group & related companies and third party lenders in order to complete the building of the network infrastructure. The directors are confident that the necessary funding can be raised to continue the roll out. However the forecasts do include contingency plans to be able to scale back any capital expenditure, if required, in order that the business can continue to operate.

After reviewing the company's forecasts and projections the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. The directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### **Auditor**

The auditor, UHY Hacker Young Manchester LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

## **IX WIRELESS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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#### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

P A Walker  
**Director**

21 April 2023

# IX WIRELESS LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IX WIRELESS LIMITED

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### Opinion

We have audited the financial statements of IX Wireless Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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 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.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **IX WIRELESS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF IX WIRELESS LIMITED**

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##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's 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 auditor's 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.

##### **Extent to which the audit was considered capable of detecting irregularities including fraud**

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.



## **IX WIRELESS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF IX WIRELESS LIMITED**

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##### **Identifying and assessing potential risks related to irregularities**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pension legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the company's licence to operate. We identified the following areas as those most likely to have such an effect: anti-bribery, regulations affecting telecommunications providers, and certain aspects of company legislation recognising the financial and regulated nature of the company's activities (reflecting compliance with Ofcom regulation). Auditing standards limit the required audit procedures to identify noncompliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Our procedures did not identify any actual or suspected noncompliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

##### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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.

**Stephen Grayson ACA FCCA**  
**Senior Statutory Auditor**  
**For and on behalf of UHY Hacker Young Manchester LLP**

21 April 2023

**Chartered Accountants**  
**Statutory Auditor**

St James Building  
79 Oxford Street  
Manchester  
M1 6HT

## IX WIRELESS LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	419,940	197,962
Cost of sales		(582,488)	-
<b>Gross (loss)/profit</b>		<b>(162,548)</b>	<b>197,962</b>
Administrative expenses		(3,238,409)	(569,805)
<b>Loss before taxation</b>		<b>(3,400,957)</b>	<b>(371,843)</b>
Tax on loss	7	(3,824)	15,244
<b>Loss for the financial year</b>		<b>(3,404,781)</b>	<b>(356,599)</b>
<b>Other comprehensive income</b>			
Revaluation of tangible fixed assets		14,362,559	(1,382,239)
Tax relating to other comprehensive income		(4,954,000)	(578,229)
<b>Total comprehensive income for the year</b>		<b>6,003,778</b>	<b>(2,317,067)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# IX WIRELESS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	9	1,501,780		1,643,437	
Tangible assets	8	60,508,771		40,603,396	
		62,010,551		42,246,833	
<b>Current assets</b>					
Debtors	10	418,164		845,620	
Cash at bank and in hand		878,271		2,004,390	
		1,296,435		2,850,010	
<b>Creditors: amounts falling due within one year</b>	11	(2,740,807)		(2,134,338)	
<b>Net current (liabilities)/assets</b>		(1,444,372)		715,672	
<b>Total assets less current liabilities</b>		60,566,179		42,962,505	
<b>Provisions for liabilities</b>					
Deferred tax liability	12	10,681,000		5,771,000	
		(10,681,000)		(5,771,000)	
<b>Net assets</b>		49,885,179		37,191,505	
<b>Capital and reserves</b>					
Called up share capital	14	22,069,031		15,379,135	
Share premium account		62,928		62,928	
Revaluation reserve		31,214,269		21,805,710	
Profit and loss reserves		(3,461,049)		(56,268)	
<b>Total equity</b>		49,885,179		37,191,505	

The financial statements were approved by the board of directors and authorised for issue on 21 April 2023 and are signed on its behalf by:

P A Walker  
Director

Company Registration No. 11009144

## IX WIRELESS LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2021</b>		4,432,932	62,928	23,766,178	300,331	28,562,369
<b>Year ended 31 December 2021:</b>						
Loss for the year		-	-	-	(356,599)	(356,599)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	(1,382,239)	-	(1,382,239)
Tax relating to other comprehensive income		-	-	(578,229)	-	(578,229)
Total comprehensive income for the year		-	-	(1,960,468)	(356,599)	(2,317,067)
Issue of share capital	14	10,946,203	-	-	-	10,946,203
<b>Balance at 31 December 2021</b>		15,379,135	62,928	21,805,710	(56,268)	37,191,505
<b>Year ended 31 December 2022:</b>						
Loss for the year		-	-	-	(3,404,781)	(3,404,781)
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	14,362,559	-	14,362,559
Tax relating to other comprehensive income		-	-	(4,954,000)	-	(4,954,000)
Total comprehensive income for the year		-	-	9,408,559	(3,404,781)	6,003,778
Issue of share capital	14	6,689,896	-	-	-	6,689,896
<b>Balance at 31 December 2022</b>		22,069,031	62,928	31,214,269	(3,461,049)	49,885,179

# **IX WIRELESS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

IX Wireless Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ribble House, Ribble Business Park, Blackburn, BB1 5RB.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of network infrastructure at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Cohiba Communications Limited. These consolidated financial statements are available from its registered office.

#### **1.2 Going concern**

The company is reliant on funding being provided by other group & related companies and third party lenders in order to complete the building of the network infrastructure. The directors are confident that the necessary funding can be raised to continue the roll out. However the forecasts do include contingency plans to be able to scale back any capital expenditure, if required, in order that the business can continue to operate.

After reviewing the company's forecasts and projections the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. The directors therefore believe that it remains appropriate to prepare the financial statements on a going concern basis.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

#### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

## IX WIRELESS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	Over 10 years
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##### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles	25% straight line
Network infrastructure	Over 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of 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 the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## IX WIRELESS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 1 Accounting policies

(Continued)

##### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

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

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

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

## IX WIRELESS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### **Classification of financial liabilities**

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

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.11 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

##### **Current tax**

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.



## IX WIRELESS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### Valuation of tangible fixed assets

The company conducts a revaluation review of fixed assets annually, in accordance with the relevant accounting standards. Determining whether a revaluation adjustment is required requires an estimation of the future discounted cash flows expected to flow from the project. This requires the company to estimate the value of future cash flows and a suitable discount rate in order to calculate the present value. There has been a revaluation downwards in the year.

#### 3 Turnover

The total turnover of the group for the year has been derived from its principal activity and is all within the United Kingdom.

#### 4 Operating loss

	2022	2021
	£	£
Operating loss for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	10,000
Depreciation of owned tangible fixed assets	1,563,037	2,104
Amortisation of intangible assets	194,386	149,038
	<u>          </u>	<u>          </u>

#### 5 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	109,667	-
	<u>          </u>	<u>          </u>

#### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2022	2021
Number	Number
4	89
<u>          </u>	<u>          </u>

## IX WIRELESS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 6 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	518,167	-
Social security costs	31,330	-
Pension costs	3,125	-
	<u>552,622</u>	<u>-</u>

Staff costs of £nil (2021: £1,579,733) were recharged to the company from a related company payroll which operates for the whole group. The average staff numbers in the prior year reflected those members of staff who worked for the Company.

Staff costs incurred during the year have been reflected in the accounts as follows:

	2022 £	2021 £
Wages and salaries (including (social security and pension costs)	552,622	1,579,733
Less: capitalised in intangible development costs	-	(1,284,238)
Less: capitalised in network infrastructure costs	-	(295,495)
	<u>552,622</u>	<u>-</u>

#### 7 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	(83,375)
Adjustments in respect of prior periods	47,824	(17,869)
Total current tax	<u>47,824</u>	<u>(101,244)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(44,000)	86,000
Total tax charge/(credit)	<u>3,824</u>	<u>(15,244)</u>

## IX WIRELESS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 7 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(3,400,957)	(371,843)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(646,182)	(70,650)
Tax effect of expenses that are not deductible in determining taxable profit	19,817	5,921
Unutilised tax losses carried forward	582,365	67,354
Adjustments in respect of prior years	47,824	(17,869)
Taxation charge/(credit) for the year	3,824	(15,244)

In addition to the amount charged/(credited) to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on: Revaluation of Network Infrastructure	4,954,000	578,229

#### 8 Tangible fixed assets

	Motor vehicles £	Network infrastructure £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	14,500	40,591,000	40,605,500
Additions	-	7,105,853	7,105,853
Revaluation	-	14,362,559	14,362,559
At 31 December 2022	14,500	62,059,412	62,073,912
<b>Depreciation and impairment</b>			
At 1 January 2022	2,104	-	2,104
Depreciation charged in the year	3,625	1,559,412	1,563,037
At 31 December 2022	5,729	1,559,412	1,565,141
<b>Carrying amount</b>			
At 31 December 2022	8,771	60,500,000	60,508,771
At 31 December 2021	12,396	40,591,000	40,603,396

## IX WIRELESS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 8 Tangible fixed assets (Continued)

Network infrastructure costs with a cost of £20,445,144 (2021: £13,339,292 ) were revalued at the year end by the directors on the basis of value in use from discounted future cash flows.

#### 9 Intangible fixed assets

	Development costs £
<b>Cost</b>	
At 1 January 2022	1,943,863
Additions	52,729
At 31 December 2022	1,996,592
<b>Amortisation and impairment</b>	
At 1 January 2022	300,426
Amortisation charged for the year	194,386
At 31 December 2022	494,812
<b>Carrying amount</b>	
At 31 December 2022	1,501,780
At 31 December 2021	1,643,437

#### 10 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	193,420	241,244
Amounts owed by group undertakings	116,058	68,797
Other debtors	68,630	509,145
Prepayments and accrued income	40,056	26,434
	418,164	845,620

#### 11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	28,730	58,452
Amounts owed to group undertakings	2,061,853	-
Taxation and social security	19,535	-
Other creditors	207,428	2,055,886
Accruals and deferred income	423,261	20,000
	2,740,807	2,134,338

## IX WIRELESS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 12 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	281,000	325,000
Revaluations	10,400,000	5,446,000
	<u>10,681,000</u>	<u>5,771,000</u>
<b>Movements in the year:</b>		<b>2022 £</b>
Liability at 1 January 2022		5,771,000
Credit to profit or loss		(44,000)
Charge to other comprehensive income		4,954,000
Liability at 31 December 2022		<u>10,681,000</u>

#### 13 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	3,125	-

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 14 Share capital

	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary Shares of £1 each	22,069,031	15,379,135	22,069,031	15,379,135

On 22 June 2022 the company issued 6,689,896 ordinary £1 shares at par for an equity swap.

#### 15 Financial commitments, guarantees and contingent liabilities

The group has a loan facility that requires each subsidiary to enter into a cross company guarantee covering the total debt should any default occur.

At the year end IX Wireless Limited has a contingent liability of £40,256,189 (2021: £nil) at the balance sheet date, in respect of such cross guarantees.

## **IX WIRELESS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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**16 Related party transactions**

The company has taken advantage of the exemption available under FRS102 Section 33.1A whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

At the year end the company owed £199,183 (2021: £2,055,886) to related parties under common control. This related to loan advances to the company.

**17 Ultimate controlling party**

The immediate parent company is Cohiba Communications Limited, a company incorporated in England & Wales. The ultimate parent company is Limefield Group Limited, a company incorporated in England & Wales.

The consolidated financial statements of Cohiba Communications Limited may be obtained from the company's registered office at Ribble House, Ribble Business Park, Blackburn, BB1 5RB.

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