

Company Registration No. 11009144 (England and Wales)

IX WIRELESS LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2019

IX WIRELESS LIMITED

COMPANY INFORMATION

Director	P A Walker
Company number	11009144
Registered office	4 Lockside Office Park Lockside Road Riversway Preston Lancashire PR2 2YS
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT

IX WIRELESS LIMITED

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IX WIRELESS LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The director presents his annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of provision of the mobile telephony services.

Director

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

P A Walker

C J Baldock

(Resigned 16 April 2019)

Future developments

The risks related to the Covid-19 pandemic have been assessed by the Board. The unprecedented events, which are still evolving, are likely to have a short to medium-term impact on the company's financial performance, though are not easily forecasted. To date, the group has experienced little impact on revenues and due to the actions that the board are taking this is not having a detrimental impact on its financial performance. The group has sufficient financial resources, including the support of other group companies and its major shareholder. As a consequence, the director believes that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook related to the Covid-19 pandemic.

The director is taking all available steps to efficiently manage cash flow, to reduce costs and to plan appropriate commercial actions to take during this period of instability across the UK economy. This includes exploring all available support being made available from the UK Government.

After reviewing the company's forecasts and projections and obtaining additional loan funding through the Governments available loan schemes, the director has a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. The director therefore believes that it remains appropriate to prepare the financial statements on a going concern basis.

Auditor

UHY Hacker Young Manchester LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

IX WIRELESS LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of director's responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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.

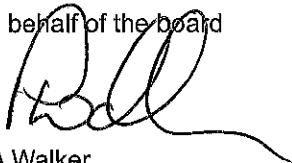
The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



P A Walker
Director

22 September 2020

IX WIRELESS LIMITED

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

Opinion

We have audited the financial statements of IX Wireless Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2019 and of its profit 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

IX WIRELESS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF IX WIRELESS LIMITED

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

IX WIRELESS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF IX WIRELESS LIMITED

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 him 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 FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP**

22 September 2020

**Chartered Accountants
Statutory Auditor**

St James Building
79 Oxford Street
Manchester
M1 6HT

IX WIRELESS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		2019	2018
	Notes	£	as restated £
Turnover		338,789	42,720
Cost of sales		-	938
Gross profit		<u>338,789</u>	<u>43,658</u>
Administrative expenses		(142,676)	(39,089)
Profit before taxation		<u>196,113</u>	<u>4,569</u>
Tax on profit	3	-	-
Profit for the financial year		<u><u>196,113</u></u>	<u><u>4,569</u></u>

IX WIRELESS LIMITED

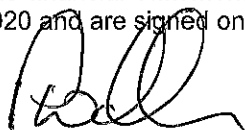
BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018 as restated	
		£	£	£	£
Fixed assets					
Intangible assets	4		958,796		418,269
Tangible assets	5		15,822,000		241,505
			<u>16,780,796</u>		<u>659,774</u>
Current assets					
Debtors	6	458,825		106,484	
Cash at bank and in hand		8,971		583	
		<u>467,796</u>		<u>107,067</u>	
Creditors: amounts falling due within one year	7	(25,720)		(762,172)	
Net current assets/(liabilities)			<u>442,076</u>		<u>(655,105)</u>
Total assets less current liabilities			<u>17,222,872</u>		<u>4,669</u>
Provisions for liabilities			<u>(2,558,058)</u>		<u>-</u>
Net assets			<u>14,664,814</u>		<u>4,669</u>
Capital and reserves					
Called up share capital	9		2,400,100		100
Share premium account			62,928		-
Revaluation reserve			12,001,104		-
Profit and loss reserves			200,682		4,569
Total equity			<u>14,664,814</u>		<u>4,669</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 22 September 2020 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 2019

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2018:						
Balance at 1 January 2018		100	-	-	-	100
Year ended 31 December 2018:						
Profit and total comprehensive income for the year		-	-	-	4,569	4,569
Balance at 31 December 2018		100	-	-	4,569	4,669
Year ended 31 December 2019:						
Profit for the year		-	-	-	196,113	196,113
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	14,459,162	-	14,459,162
Tax relating to other comprehensive income		-	-	(2,458,058)	-	(2,458,058)
Total comprehensive income for the year		-	-	12,001,104	196,113	12,197,217
Issue of share capital	9	2,400,000	62,928	-	-	2,462,928
Balance at 31 December 2019		2,400,100	62,928	12,001,104	200,682	14,664,814

IX WIRELESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

IX Wireless Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4 Lockside Office Park, Lockside Road Riversway, Preston, Lancashire, PR2 2YS.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.2 Going concern

The risks related to the Covid-19 pandemic have been assessed by the Board. The unprecedented events, which are still evolving, are likely to have a short to medium-term impact on the company's financial performance, though are not easily forecasted. To date, the group has experienced little impact on revenues and due to the actions that the board are taking this is not having a detrimental impact on its financial performance. The group has sufficient financial resources, including the support of other group companies and its major shareholder. As a consequence, the director believes that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook related to the Covid-19 pandemic.

The director is taking all available steps to efficiently manage cash flow, to reduce costs and to plan appropriate commercial actions to take during this period of instability across the UK economy. This includes exploring all available support being made available from the UK Government.

After reviewing the company's forecasts and projections and obtaining additional loan funding through the Governments available loan schemes, the director has a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. The director therefore believes 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 2019

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
-------------------	---------------

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:

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 2019

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.

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.

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.

2 Employees

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

	2019 Number	2018 Number
Total	1	2

3 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	(100,000)	-

IX WIRELESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3	Taxation	(Continued)	
		2019	2018
		£	£
	Deferred tax		
	Origination and reversal of timing differences	100,000	-
		<u> </u>	<u> </u>
	Total tax charge	-	-
		<u> </u>	<u> </u>

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

	2019	2018
	£	£
Deferred tax arising on:		
Revaluation of property	2,458,058	-
	<u> </u>	<u> </u>

4	Intangible fixed assets	Developme nt costs
		£
	Cost	
	At 1 January 2019	418,269
	Additions	590,989
		<u> </u>
	At 31 December 2019	1,009,258
		<u> </u>
	Amortisation and impairment	
	At 1 January 2019	-
	Amortisation charged for the year	50,462
		<u> </u>
	At 31 December 2019	50,462
		<u> </u>
	Carrying amount	
	At 31 December 2019	958,796
		<u> </u>
	At 31 December 2018	418,269
		<u> </u>

IX WIRELESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Tangible fixed assets

	Network infrastructu re £
Cost or valuation	
At 1 January 2019	241,505
Additions	1,121,333
Revaluation	14,459,162
At 31 December 2019	<u>15,822,000</u>
Depreciation and impairment	
At 1 January 2019 and 31 December 2019	-
Carrying amount	
At 31 December 2019	<u>15,822,000</u>
At 31 December 2018	<u>241,505</u>

Network infrastructure costs with a carrying amount of £1,362,838 were revalued at the year end by the directors on the basis of value in use from discounted future cashflows.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2019 £	2018 £
Cost	1,362,838	241,505
Accumulated depreciation	-	-
Carrying value	<u>1,362,838</u>	<u>241,505</u>

6 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Corporation tax recoverable	100,000	-
Other debtors	358,825	106,484
	<u>458,825</u>	<u>106,484</u>

IX WIRELESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	6,397	-
Other creditors	19,323	762,172
	<u>25,720</u>	<u>762,172</u>

8 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	100,000	-
Revaluations	2,458,058	-
	<u>2,558,058</u>	<u>-</u>
Movements in the year:		2019 £
Liability at 1 January 2019		-
Charge to profit or loss		100,000
Charge to other comprehensive income		2,458,058
Liability at 31 December 2019		<u>2,558,058</u>

9 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
2,400,100 (2018: 100) Ordinary Shares of £1 each	<u>2,400,100</u>	<u>100</u>

IX WIRELESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Parent company

The immediate controlling party is Cohiba Communications Limited, a company incorporated in England & Wales.

The ultimate controlling party is Mr Tahir Mohsan.

11 Prior period adjustment

Reconciliation of changes in equity

	Notes	1 January 2018 £	31 December 2018 £
Adjustments to prior year			
Reclassification of profit and loss to fixed assets	1	-	659,774
Equity as previously reported		100	(655,105)
Equity as adjusted		<u>100</u>	<u>4,669</u>

Reconciliation of changes in (loss)/profit for the previous financial period

	Notes	2018 £
Adjustments to prior year		
Reclassification of profit and loss to fixed assets	1	659,774
Loss as previously reported		(655,205)
Profit as adjusted		<u>4,569</u>

Notes to reconciliation

Reclassification of development costs and capital items

The director has reviewed the accounting treatment of various costs incurred in the development of building the infrastructure required to deliver the company's wireless network. The decision has been made to capitalise such costs on the balance sheet. Accordingly £659,774 has been reclassified from administrative expenses to intangible and tangible fixed assets.