

Company registration number 05208041 (England and Wales)

SATCOM GLOBAL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



SATCOM GLOBAL LIMITED

COMPANY INFORMATION

Directors	R A Howes I A Robinson C Leydon
Company number	05208041
Registered office	Tanners Bank North Shields Tyne & Wear NE30 1JH
Auditor	Haines Watts North East Audit LLP 17 Queens Lane Newcastle Upon Tyne NE1 1 RN
Bankers	Santander UK plc 2 Trinton Square Regents Place London NW1 3AN

SATCOM GLOBAL LIMITED

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SATCOM GLOBAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report and financial statements for the year ended 30 June 2021.

Directors' Duties

The directors of the company, as those of all companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the company.'

As part of their induction, a director is briefed on their duties and they can access professional advice on these, either from the Company secretary or, if they judge it necessary, from an independent adviser.

Risk Management

We provide business-critical services to our clients, often in highly regulated environments. As we grow, our business and our risk environment also become more complex. It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management. For details of our principal risks and uncertainties, and how we manage our risk environment, please see the principal risks and uncertainties section of this report.

Our People

The company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. People are at the heart of our specialist services. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as effectively as possible. We must also ensure we share common values that inform and guide our behaviour so we can achieve our goals in the right way.

Business Relationships

Our strategy priorities organic growth, driven by cross-selling and up-selling services to existing clients and bringing new clients into the Group. To do this, we need to develop and maintain strong client relationships. We value all of our suppliers and have multi-year contracts with our key suppliers.

Community and Environment

The company's approach is to use our position of strength to create positive change for the people and communities with which we interact. We want to leverage our expertise and enable colleagues to support communities around us.

Shareholders

The Board is committed to openly engaging with our shareholders, as we recognise the importance of a continuing effective dialogue. It is important to us that shareholders understand our strategy and objectives, so these must be explained clearly, feedback heard and any issues or questions raised properly and considered.

SATCOM GLOBAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Fair review of the business

Satcom Global Limited (SGL) is part of Broadband Satellite Services Limited group of companies. It is one of four major operating entities, the others being AND Group Limited (AND), Satcom Global Inc (USA) and Satcom Global Aura Limited.

As part of this group SGL operates a global network that supports mission critical communications over satellite to a global customer base. SGL does not own its own satellites but provides the services under a series of wholesale and lease capacity agreements with several global satellite network operators.

Companies operating within the satellite services industry can be categorised as satellite operators, satellite service distributors and end users. Satellite network operators own and operate large or small fleets of satellites capable of providing global or regional network coverage. Significant cost is involved in the construction, launch and operation of each satellite. Satellite operators tend to prefer the sale of wholesale capacity on a lease basis, allowing focus on a small number of customers providing recurring revenue streams. The operation of terrestrial infrastructure which services the end user, installation, maintenance, and technical support would typically be provided to the end user by these wholesale lease customers.

The mobile satellite service industry is segmented into land, marine and aeronautical services and within these vertical segments, provide voice, low speed data and broadband services. End users who include commercial shipping, airlines, government, defence forces, aid agencies, oil companies and NGOs may use different services across different segments.

SGL offers a full range of services to the maritime industry, with secure access and global coverage. Increasingly services to the sector are being driven by the operational demands of vessel performance, or the access requirements of crew for welfare and recreational use.

Land customers range from oil or mining customers in the harshest environments on earth, journalists with live broadcasting requirements and humanitarian agencies working in crisis zones. SGL has long standing partnership agreements with government departments around the world providing secure and reliable voice and data services to meet security, safety, health, and education needs.

SGL customers range from dealers and large end users down to individual subscribers. They cover government, military, maritime, offshore, oil and gas exploration and humanitarian needs. These customers are supported by a network of global SGL offices which supports the following channels:

- Government - direct and indirect supply to government agencies
- Enterprise - direct supply to large customers / corporate, service provider partners for smaller users and handset customers
- Business to business - indirect channel partners including service providers, dealers, and agents
- Commercial maritime - ship owners, ship managers, offshore operators

SGL is deemed to be the supplier of choice in satellite communications for a diverse range of blue-chip customers around the globe.

SGL is a major distributor of L-band services for the three largest mobile satellite service network operators and as such provides a critical link in the satellite industry value chain. Distribution partners such as SGL, supply and support end user customers with specific services created by the L-band satellite network operators. SGL resells equipment to end user customers, paying a wholesale rate to the L-band satellite network for the airtime used by its customers. Its ground infra-structure provides the connectivity which allows the end users to access their own corporate network or wider internet, providing controls on usage flow, content access and cost. The development of digital platforms, bandwidth hungry business applications and welfare demands have all driven growth beyond the capabilities of the traditional L-band services.

SATCOM GLOBAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

SGL operates a global Ku band platform under the "Aura" brand umbrella. Ku band offers higher speeds and more affordable bandwidth options for customers in maritime and land environments. The demand for the Aura network is growing as customers find their needs cannot be satisfied by the limited speeds and bandwidth capabilities of the traditional L-band technologies. The Aura network provides customers with the higher bandwidth solutions required by modern vessels at sea. Aura provides users with access to a comprehensive global system of satellites, combining wide beam satellites for coverage and narrower higher throughput beams for better efficiency and increased bandwidth capacity. Our Ku band network continues to grow strongly with several significant maritime customers being added in the period, and a significant order book to carry forward with contracts signed and a forward going pipeline of vessel installations to be completed in the new financial period.

We have seen strong growth with both existing and new customers choosing the Aura platform as their communication solution of choice. This demand is being led by a growing demand for faster speeds and greater data transmission capability as the maritime industry adapts to digitisation of their operations. The move to digitisation in the shipping industry, increasing commitment to Internet of Things enabled solutions and broadening range of shipboard applications are driving the requirement for increased satellite bandwidth. Vessel performance monitoring, fuel optimisation, engine performance monitoring, and emissions monitoring are all key to the success of the modern ship operator. Digital navigation solutions including Electronic Chart Display and Information Systems (ECDIS) require the movement of regular updates consuming significant amounts of data.

We expect the demand for satellite connectivity to continue to grow, especially in mobility-based applications, in both our maritime and land businesses. In the business environment a rapidly growing range of applications are emerging to enable Internet of Things solutions and are driving demand for lower bandwidth connectivity services. At the higher end demand is being driven by an increasing number of data-rich applications and the requirement to continually increase the number of connected devices. We are seeing significant growth opportunities especially for mobility solutions where satellite connectivity is often more effective than traditional terrestrial network coverage. In the crew environment demand continues on a steeply upward curve with crew members demanding internet and social media access as a base service level.

The wide base and strength of our product and service offering, together with our approach to supporting customers is demonstrated by the strong demand for our services. With our customers contracting for three-to-five-year periods and a growing customer base it provides a strong base for our future development plans. Our strategic initiatives have been focused on meeting the new demands of customers as they "go digital".

SATCOM GLOBAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Principal risks and uncertainties

SGL has a structured approach to risk management. SGL's activities expose it to a number of risks and uncertainties that may adversely affect business, operations, liquidity, financial position, or future performance, not all of which are wholly within its control. SGL takes a proactive approach to risk management. The Board is responsible for ensuring that business risks are identified quickly and that appropriate risk mitigation steps are taken in a proactive and timely manner. The Board assesses the risks with the SGL's overall strategic objectives and activities in mind. The principal risks and uncertainties identified by the management are detailed below; this is not intended to be an exhaustive analysis of all risks and uncertainties affecting the business.

1. Competition

SGL operates in a highly competitive sector and faces competition today from alternative communications technologies in our target horizontal and vertical market sectors. In the normal operation of business, there is strong competition from other service providers and satellite network operators. There is a risk that new technologies introduced by competitors may reduce demand for services or replace the technologies provided. Service providers providing VSAT services will continue to target L-band users. It is believed that the L-band product offerings distributed will remain competitive in the specific markets targeted and that the development of the Aura Ku-band network places SGL in a favourable position with other VSAT providers. SGL is also building a number of new platforms aimed at enabling small sat and 4G/5G/LTE services within our network offering.

2. Key suppliers

Whilst SGL procures services from a number of satellite network operators it is reliant on the continuance of supply agreements to sell the services to end-users. The loss of any one of the agreements may impact on competitiveness in the market as many customers have a preference of a specified network operator for the provision of our services. L-band networks are often subject to congestion in high-traffic areas and are sold on a best effort basis with no service level agreement commitments.

3. Satellite service continuity

All the services provided are provisioned by third party owned satellites which are subject to significant operational risks at launch or whilst in orbit. The loss of access to any of the satellites could adversely affect the revenues, profitability, and liquidity of SGL. Any loss of connectivity would not be limited to SGL and would impact equally on all major competitors.

4. Cyber security

SGL's networks may be vulnerable to security risks. They are designed to be robust and provide for secure transmission of confidential information. They may however in the future be vulnerable to unauthorised access, computer viruses and other security risks. SGL has implemented industry-standard security measures and are continually increasing investment in counter cyber threat tools and staff. Current evidence is that counter measures have been effective to date, as there has been no impact from previous cyber-attack events. The nature and diversity of cyber threats is constantly changing, both in sophistication and number. There is a possibility that these measures may prove inadequate in the case of future attacks and could result in system failures and delays that could have a material adverse effect on business and financial results.

5. Capacity oversupply

Planned launches of Ku and Ka-band satellites may introduce an over-supply position to the markets, forcing prices to fall. The satellite operators are aware of this and some launches are being delayed or cancelled. Global bandwidth costs continue to decline. Technological innovation and the need for remote users to be part of the corporate network continues to drive data volumes. Crew demand on board ships drives both data volumes and the requirement for a 'bring your own device' capability onboard (BYOD). These additional volume demands will assist in offsetting the impact of any price decreases.

6. Macro-economic risks

Macro-Economic Risks Changes in macro-economic conditions can impact on SGL's business. This risk is offset by the long-term nature of the customer contracts held by SGL, which provide recurring monthly revenues.

SATCOM GLOBAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

7. Regulation

SGL is subject to regulation with respect to the resale of satellite services. In the majority of cases, the satellite network operator is responsible for obtaining the licensing required to broadcast across a defined spectrum. SGL is responsible for ensuring it holds all required licences for the resale of satellite services in the countries in which it operates. There is a risk that in order to hold such licenses, there could be an exposure to additional costs or limitations to the ability to provide services.

8. Management & Employees

SGL needs to recruit and retain personnel capable of achieving the technological competence required. The business is dependent to a significant degree on being able to recruit and retain the number and calibre of management or employees necessary to maintain and develop the business.

9. Financing & Foreign Exchange Risk

SGL has a significant amount of debt. Whilst the directors are satisfied that the liquidity position is sufficient to meet SGL's needs for future financial periods, the future cost of the debt represents a future risk.

SGL uses the US Dollar as the company's functional and reporting currency. While most of our revenues are contracted in US Dollars, a substantial portion of our operating expenses and capital expenditures are denominated in currencies other than the US Dollar. SGL does not currently hedge foreign exchange exposure in the short-term and there is a risk that in the longer-term our results of operations could be affected by US Dollar exchange rates.

SGL's activities expose it to a variety of financial risks, including effects of credit and liquidity and cash flow. Risk management policies have been adopted which seek to mitigate these risks in a cost-effective manner. Financial assets that expose the company to financial risk consist primarily of trade debtors and cash. Financial liabilities that expose the company to financial risk consist principally of trade creditors and loan agreements. SGL has the ability to deploy hedging policies in the case of any short-term market volatility which may impact on the overall business performance. As the company contracts most of its revenues in US dollars and its key suppliers are paid in US dollars it enjoys a natural hedge in respect of any significant level of exposure.

10. Credit Risk

Credit risk is the loss of the value of financial assets due to counter-parties failing to meet all or part of their obligations. SGL therefore performs ongoing credit evaluation of each of its major customers' financial position.

11. Liquidity Risk

Liquidity risk is the risk that SGL does not have sufficient liquid assets to meet its obligations as they fall due. Liquidity is maintained at a prudent level and the company ensures that there is an adequate liquidity buffer to cover contingencies. The company maintains sufficient cash and open committed credit lines from its bankers to meet its current requirements. The directors assess the liquidity risk on a regular basis and ensures that sufficient cash is available to meet the company's needs.

12. Geo-political risks

The business operates in a wide range of geographic areas. This exposes SGL to geo-political and strategic risks such as disruption due to war, civil unrest, security issues and government intervention. These risks exist predominantly in the Middle East, Russia and certain parts of Latin America, Africa and Asia which do not constitute a large part of our ongoing business. Not all the events are negative to the mobile satellite services business as the events themselves can cause increased demand for satellite services.

SATCOM GLOBAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

13. COVID-19 Pandemic

The impact of the Covid-19 pandemic may have an impact on the future performance of the company. The directors have taken steps to mitigate the associated risks and are continuing to review any future potential impact on SGL's business including, review of annual budgets and future cash flows in making their assessment of the company's ability to meet its financial obligations and banking covenants. Based on these assessments, the high proportion of revenues contracted on 3–5 year terms, continued new demand for services and the current resources available the directors are satisfied that SGL has adequate resources to continue in operational existence for the foreseeable future.

The COVID-19 outbreak developed rapidly in 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. AND have taken several measures to monitor and prevent the effects of the COVID-19 virus such safety and health measures for our people (including social distancing, protective clothing and working from home) as well devising 'new ways of working' where travel restrictions have been imposed.

SGL operates in markets where the services we supply are mission critical, rather than optional for our customers. We have taken additional action to ensure that we are able to always provide the required support to these customers. Most of our customers are contracted on 3-5 year terms providing some security of income. SGL also deploys specialist credit vetting processes and has a credit insurance policy covering all trade debts. We have secured the supply of equipment that are essential to our services from multiple vendors. At this point of reporting, the impact on the SGL business and results has been limited. The COVID-19 pandemic has created demand amongst government agencies and within remote communities. There has been limited impact on our core maritime business and demand for new installations of our Aura service remain strong.

14. BREXIT

Given the nature of the company's operations, management do not currently envisage any logistical impacts of Brexit in its relationships with customers and revenues.

SATCOM GLOBAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

Development and performance

There is ongoing and significant change within the maritime communications sector as shipping companies worldwide recognise that greater capacity available from VSAT broadband networks are a strategic investment in improving business productivity and crew welfare. VSAT networks provide global broadband coverage for voice and data communications at a substantially more cost-effective rate than pay-per-use L-band services. They are central to the shipping industry, which needs to digitise many of their operations and processes. As a result, a consensus has emerged within shipping companies that there is a compelling need to shift to true broadband. Only VSAT broadband networks can deliver the high data speeds required by increasing communications needs, supporting a range of critical onboard applications.

VSAT communications enable vessels at sea to share business and operational data in a way which cannot be supported by existing L-band offerings. Communications with suppliers, port authorities, ERP systems, video surveillance, real time operational data exchange and unlimited crew access to the internet can all be facilitated.

The commercial shipping market continues to see migration from narrowband to broadband connectivity, which is the main driver of revenue growth in this sub-segment. Commercial shipping is a core part of our maritime business where we supply a combination of VSAT, L-band, and land-based 4G/LTE networks to deliver communications across oceans and along the most difficult coastal locations in the world.

SGL operates its own Aura Ku-band VSAT service which provides maritime and enterprise customers with a managed connectivity service which brings broadband connectivity to vessels at sea and mobile land customers. The Aura managed mobility service enables any maritime vessel to roam seamlessly, anywhere in the world, providing powerful global two-way internet connectivity for internet access, voice, monitoring and tracking capabilities so vessels, passengers and crew are always connected.

The investment in Aura provides a significant opportunity to grow both revenues and margins across our customer base. With the ability to build network architecture and add capacity when required, the solution is both scalable and future proof. Customers have access to increased throughput with unlimited data volume consumption and customizable coverage options and throughput packages. Taking ownership of the network means more flexible service terms and packages can be provided compared to those of competitors with the ability to increase bit rate in high-demand areas.

SGL continually invests in improving customer services and value and optimising internal costs. This allows the group to deliver a commonality of service levels and customer experience, centralising operational tasks in our back office shared service centres. The billing, support, and provisioning platforms at the heart of our network are based around proprietary technologies which enable us to provide a truly differentiated commercial offering to our customers.

As the demand for Internet of Things type connectivity develops, SGL has invested in several platforms to facilitate customer access to these services across a managed services platform. This development will future proof the services we offer both in terms of customer requirements, and the ability to provision services from new satellite network operators.

We are maintaining a healthy order book for our VSAT Aura platform which is rapidly becoming a major contributor to our financial results and organic revenue growth. Our continued development of this platform will allow us to achieve further significant cost synergies through the further integration of our various networks and platforms. We continue to see growth in data connectivity across all the market verticals we serve and the multiple verticals in which we operate across diversified markets all have substantial growth opportunities.

The Aura network is backed by a 24/7/365 NOC support Centre providing real time customer support, advanced monitoring, and reporting services to our customers. Customers are able to access full visibility of service level indicators directly from the network.

VSAT is now driving growth in the maritime sector. Contracts are typically of a 3-5 year duration, with recurring revenues and high customer retention levels. The growing technological demands of VSAT operations has increased the need for scale, with managed services and value-added service platforms requiring increased operational support.

SGL is well positioned to offer a comprehensive portfolio of maritime communications and value-added services and having local scale and presence in all of the key maritime markets.

SATCOM GLOBAL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

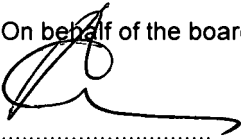
Demand for the Aura VSAT platform has continued to grow with a significant number of contracts with large vessel fleet operators having been signed since the financial year end. There is a strong installation pipeline which enables those contracts to stretch throughout the next financial year.

Key performance indicators

The management team considers several key financial and operational performance indicators to assess the performance of the business against our key strategic priorities. These include:

- Sales: As a broad measure, our sales achievement measures the success of our business model and our ability to develop our customer base. Below the macro level it also provides information on all our product portfolios and the ARPU attached to each service offering.
- Sales and installation pipeline: Opportunities and vessels contracted with equipment yet to be installed.
- Network connections: The number of current subscribers to each of the connectivity services we offer.
- Average Revenue Per Unit (ARPU): The average monthly revenue generated by each of the connections on our network.
- Capital Expenditure: Measures our investment in growth and development of our network and infrastructure along with equipment supplied to operational vessels as part of service bundles.
- EBITDA: Measures the total group profitability before finance costs, taxation, depreciation, and amortisation.
- Network Availability: Measures our network uptime against our customer service level agreement of 99.9%.
- Employee Turnover: measures the number of voluntary leavers during the year as a percentage of the average number of employees in the year.

On behalf of the board



R A Howes

Director

8/11/22

SATCOM GLOBAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company was that of distributing satellite communication equipment and provision of airtime.

Results and dividends

The results for the year are set out on page 14.

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:

R A Howes
I A Robinson
C Leydon

Auditor

The auditor, Haines Watts North East Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

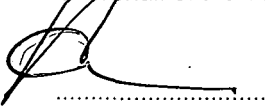
Statement of disclosure to auditor

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.

SATCOM GLOBAL LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

On behalf of the board



.....
R A Howes
Director

Date: 8/11/22.....

SATCOM GLOBAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SATCOM GLOBAL LIMITED

Qualified opinion

We have audited the financial statements of SatCom Global Limited (the 'company') for the year ended 30 June 2021 which comprise the profit and loss account, the statement of comprehensive income, 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, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 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 qualified opinion

Intangible assets include a billing system at a revalued amount of \$18m, the carrying value is based upon the directors' valuation as further explained in note 2 to the financial statements. Under the revaluation model, an intangible asset can be carried at a revalued amount provided that the fair value can be determined by reference to an active market. We believe that the billing system is unique and there is no active market for such assets. Therefore the billing system should be carried at its cost less accumulated amortisation and impairment losses. Accordingly, intangible assets should be reduced by \$13m, retained profit brought forward should be reduced by \$12.5m and profit for the year should be reduced by \$0.4m.

Intangible fixed assets include development cost additions of \$3.1m which include apportioned staff costs of \$1.7m relating to software development activities. We have been provided with a summary record of the proportions of individual staff members time spent on development activities. Whilst specific activities are detailed for certain staff in a time recording system, this does not apply to all staff and therefore, due to the nature of the records, we have been unable to sufficiently verify the accuracy of proportions used for all staff members on research or development activities. Consequently we were unable to determine whether any adjustment to this amount was necessary. Additionally, development cost additions include general overhead costs of \$0.8m and employment related costs of personnel not directly engaged in software development.

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 qualified opinion.

Material uncertainty relating to going concern

We draw attention to note 1.2 in the financial statements regarding the going concern basis of preparation. The company's finance arrangements expire and amounts outstanding are payable on 29th November 2022. We understand that whilst the directors continue to discuss renewal of the company's banking facilities with existing financiers and have an agreement in principle, currently replacement finance arrangements are not formally in place. As stated in note 1.2, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

SATCOM GLOBAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SATCOM GLOBAL LIMITED

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.

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.

Arising solely from the matters described in the basis for qualified opinion section of our report:

- we have not received all the information and explanations we require for our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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 directors' remuneration specified by law are not made.

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.

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.

SATCOM GLOBAL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SATCOM GLOBAL LIMITED

We obtained an understanding of the legal and regulatory framework applicable to both the company itself and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and other management. The most significant were identified as the Companies Act 2006, UK GAAP (FRS102) and relevant tax legislation.

We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements. Our audit procedures included:

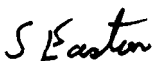
- making enquires of directors and management as to where they consider there to be a susceptibility to fraud and whether they have any knowledge or suspicion of fraud;
- obtaining an understanding of the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- assessing the risk of management override including identifying and testing journal entries;
- challenging the assumptions and judgements made by management in its significant accounting estimates.

Our audit did not identify any key audit matters relating to the detection of irregularities including fraud. However, despite the audit being planned and conducted in accordance with ISAs (UK) there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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 Easton FCA
Senior Statutory Auditor
For and on behalf of Haines Watts North East Audit LLP

Date: 8/11/2022

Chartered Accountants and
Statutory Auditor

17 Queens Lane
Newcastle Upon Tyne
NE1 1 RN

SATCOM GLOBAL LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Turnover	3	30,348,624	26,025,913
Cost of sales		(22,586,760)	(20,525,087)
Gross profit		<u>7,761,864</u>	<u>5,500,826</u>
Administrative expenses		(9,314,269)	(7,560,419)
Other operating income		3,783,698	3,348,558
Operating profit	4	<u>2,231,293</u>	<u>1,288,965</u>
Interest receivable and similar income	6	701	14
Interest payable and similar expenses	7	(2,393,195)	(1,082,164)
(Loss)/profit before taxation		<u>(161,201)</u>	<u>206,815</u>
Tax on (loss)/profit	8	(1,652,946)	(277,938)
Loss for the financial year		<u><u>(1,814,147)</u></u>	<u><u>(71,123)</u></u>

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

SATCOM GLOBAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	2021 \$	2020 \$
Loss for the year	(1,814,147)	(71,123)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,814,147)</u>	<u>(71,123)</u>

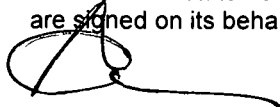
SATCOM GLOBAL LIMITED

BALANCE SHEET

AS AT 30 JUNE 2021

	Notes	2021		2020	
		\$	\$	\$	\$
Fixed assets					
Intangible assets	9	22,428,581		20,780,450	
Tangible assets	10	405,337		163,206	
			22,833,918		20,943,656
Current assets					
Stocks	11	1,175,722		1,001,957	
Debtors	12	38,889,064		36,071,751	
Cash at bank and in hand		1,135,138		714,539	
			41,199,924		37,788,247
Creditors: amounts falling due within one year					
	14	(38,464,122)		(27,095,672)	
Net current assets					
			2,735,802		10,692,575
Total assets less current liabilities					
			25,569,720		31,636,231
Creditors: amounts falling due after more than one year					
	15	(11,000,000)		(16,701,231)	
Provisions for liabilities					
Deferred tax liability	18	2,531,481		1,082,614	
			(2,531,481)		(1,082,614)
Net assets					
			12,038,239		13,852,386
Capital and reserves					
Called up share capital	19	100		100	
Revaluation reserve		9,150,000		9,150,000	
Profit and loss reserves		2,888,139		4,702,286	
Total equity			12,038,239		13,852,386

The financial statements were approved by the board of directors and authorised for issue on 8/11/22 and are signed on its behalf by:



R A Howes
Director

Company Registration No. 05208041

SATCOM GLOBAL LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2019	100	9,150,000	4,773,409	13,923,509
Year ended 30 June 2020:				
Loss and total comprehensive income for the year	-	-	(71,123)	(71,123)
Balance at 30 June 2020	100	9,150,000	4,702,286	13,852,386
Year ended 30 June 2021:				
Loss and total comprehensive income for the year	-	-	(1,814,147)	(1,814,147)
Balance at 30 June 2021	100	9,150,000	2,888,139	12,038,239

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

Company information

SatCom Global Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tanners Bank, North Shields, Tyne & Wear, NE30 1JH.

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 US Dollars 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 certain financial instruments 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 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- 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' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; 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;

The financial statements of the company are consolidated in the financial statements of Broadband Satellite Services Limited. These consolidated financial statements are available from its registered office, Tanners Bank, North Shields, Tyne and Wear, NE30 1JH.

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

As described in the Strategic Report, the world-wide COVID-19 pandemic continued affect the company during 2020/21, resulting in an uncertain economic environment. The outlook continues to present, so the measures introduced in the previous financial period have been maintained:

- Preserve cash and secure necessary lines of finance to protect the Group against unforeseen events
- Whilst the UK's departure from the European Union in January 2020 presented another set of uncertainties, there has not been to date any materially adverse impacts. So far as can be tested, the Directors believe that substantially, the business will continue not to be materially affected by this event and that its relationship with its EU-based partners are in any event, sufficiently robust to overcome any commercial issues.
- Institute new ways of working (working from home, travelling, customer contacts and engineering interventions etc) in order to protect the workforce against possible COVID-19 infections. The outlook (in the UK in particular) in the early months of 2022 appear more positive with a gradual relaxation of the stringent regulations in most of the areas of the world in which we operate.
- The Directors have examined the potential impact of the war in Ukraine during 2022 and have satisfied themselves that this event will not have any material effect on the business.
- The Directors have reviewed the potential inflationary impact of the cost-of-living increases that began to impact in 2022 and have included provisions and contingencies in their business plans and cash flow analyses to cover the impact of these.

The risks facing the group continue to be monitored by the Board, including its business model and future performance, solvency and liquidity and ensuring that the Banking Covenants and subsequent amendments to these, continue to be satisfied. These stress-test the Group's continued viability in the most severe (yet plausible) scenarios. The group's finance agreement with Santander (signed on 29th November 2019) continues to work well and is satisfying its financial requirements.

The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment of the going concern basis of preparation of the financial statements. In response to the above uncertainties, the Directors continue to test their cash flow analysis to take account of the impact on the business of possible scenarios brought about by these.

Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that the Group will continue to operate within the requirements set by Santander in November 2019 and subsequently amended.

Considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised to that the extent that there is a right to consideration.

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

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 if the fair value can be measured reliably.

The billing system has been included at the directors' valuation and it has not been amortised in the financial statements as it is subject to annual revaluations.

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:

Billing system	not depreciated
Development costs	33% reducing balance

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:

Plant and machinery	4 years straight line
---------------------	-----------------------

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.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.9 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.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

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.

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

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.

1.11 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.

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.13 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.17 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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.

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Billing system

Valuation of the billing system is calculated on a Net Present Value based on a 10-year Discounted Cash Flow model which accounts for estimated future income streams. A conservative view is taken on growth. This demonstrates that valuation of the Billing Value at \$18mn is well within the valuation demonstrated by the Discounted Cash Flow model.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	\$	\$
Turnover analysed by class of business		
Airtime	30,348,624	26,025,913
	<u>30,348,624</u>	<u>26,025,913</u>

	2021	2020
	\$	\$
Turnover analysed by geographical market		
America	5,754,193	6,179,437
Asia	10,133,366	6,477,291
Europe and Middle East	8,308,476	7,761,729
Oceania	6,152,589	5,607,456
	<u>30,348,624</u>	<u>26,025,913</u>

	2021	2020
	\$	\$
Other revenue		
Interest income	701	14
	<u>701</u>	<u>14</u>

4 Operating profit

	2021	2020
	\$	\$
Operating profit for the year is stated after charging:		
Exchange losses	364,930	55,554
Fees payable to the company's auditor for the audit of the company's financial statements	12,500	12,500
Depreciation of owned tangible fixed assets	121,201	103,929
Amortisation of intangible assets	1,461,415	762,061
Operating lease charges	-	575
	<u>1,959,046</u>	<u>1,633,519</u>

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

5 Employees

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

	2021 Number	2020 Number
Total	-	-

6 Interest receivable and similar income

	2021 \$	2020 \$
Interest income		
Interest on bank deposits	701	14

7 Interest payable and similar expenses

	2021 \$	2020 \$
Interest on bank overdrafts and loans	1,165,338	96,513
Interest on invoice finance arrangements	106,944	588,410
Interest on finance leases and hire purchase contracts	(4,199)	2,501
Other interest	1,125,112	394,740
	2,393,195	1,082,164

8 Taxation

	2021 \$	2020 \$
Current tax		
UK corporation tax on profits for the current period	-	(204,968)
Adjustments in respect of prior periods	204,079	86,512
Total current tax	204,079	(118,456)
Deferred tax		
Origination and reversal of timing differences	1,448,867	396,394
Total tax charge	1,652,946	277,938

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

8 Taxation

(Continued)

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

	2021	2020
	\$	\$
(Loss)/profit before taxation	(161,201)	206,815
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(30,628)	39,295
Tax effect of expenses that are not deductible in determining taxable profit	5,769	4,560
Adjustments in respect of prior years	204,079	86,512
Effect of change in corporation tax rate	607,555	-
Group relief	376,005	-
Research and development tax credit	-	(290,000)
Deferred tax adjustments in respect of prior years	490,166	437,571
Taxation charge for the year	1,652,946	277,938

9 Intangible fixed assets

	Billing system	Development costs	Total
	\$	\$	\$
Cost			
At 1 July 2020	18,000,000	8,289,510	26,289,510
Additions - internally developed	-	3,109,546	3,109,546
At 30 June 2021	18,000,000	11,399,056	29,399,056
Amortisation and impairment			
At 1 July 2020	-	5,509,060	5,509,060
Amortisation charged for the year	-	1,461,415	1,461,415
At 30 June 2021	-	6,970,475	6,970,475
Carrying amount			
At 30 June 2021	18,000,000	4,428,581	22,428,581
At 30 June 2020	18,000,000	2,780,450	20,780,450

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

10 Tangible fixed assets

	Plant and machinery \$
Cost	
At 1 July 2020	1,502,273
Additions	363,332
At 30 June 2021	<u>1,865,605</u>
Depreciation and impairment	
At 1 July 2020	1,339,067
Depreciation charged in the year	121,201
At 30 June 2021	<u>1,460,268</u>
Carrying amount	
At 30 June 2021	<u>405,337</u>
At 30 June 2020	<u><u>163,206</u></u>

11 Stocks

	2021 \$	2020 \$
Work in progress	193,469	255,585
Finished goods and goods for resale	982,253	746,372
	<u>1,175,722</u>	<u>1,001,957</u>

12 Debtors

	2021 \$	2020 \$
Amounts falling due within one year:		
Trade debtors	3,034,583	2,939,858
Corporation tax recoverable	-	216,948
Amounts owed by group undertakings	31,964,967	31,470,833
Finance leases receivable	163,514	45,710
Other debtors	433,314	296,957
Prepayments and accrued income	2,437,197	890,219
	<u>38,033,575</u>	<u>35,860,525</u>

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

12 Debtors	(Continued)	
	2021	2020
	\$	\$
Amounts falling due after more than one year:		
Finance leases receivable	855,489	211,226
	<u>855,489</u>	<u>211,226</u>
Total debtors	38,889,064	36,071,751
	<u>38,889,064</u>	<u>36,071,751</u>

13 Finance lease receivables	2021	2020
	\$	\$
Gross amounts receivable under finance leases:		
Within one year	447,818	126,897
In two to five years	1,264,972	282,418
	<u>1,712,790</u>	<u>409,315</u>
Unearned finance income	(693,787)	(152,379)
	<u>1,019,003</u>	<u>256,936</u>
Present value of minimum lease payments receivable	1,019,003	256,936
	<u>1,019,003</u>	<u>256,936</u>
The present value is receivable as follows:		
Within one year	163,514	45,710
In two to five years	855,489	211,226
	<u>1,019,003</u>	<u>256,936</u>
	<u>1,019,003</u>	<u>256,936</u>

Analysis of finance leases

The company enters into financial leasing arrangements for satellite communications equipment. The average term of finance leases entered into is 3 years.

Unguaranteed residual values of assets leased under finance leases at the reporting end date are estimated at \$436,917 (2020 : \$121,896).

14 Creditors: amounts falling due within one year		2021	2020
	Notes	\$	\$
Bank loans	16	6,750,000	3,000,000
Obligations under finance leases	17	-	32,448
Payments received on account		28,300	28,768
Trade creditors		9,545,683	7,949,545
Amounts owed to group undertakings		20,022,716	15,144,712
Other creditors		-	9
Accruals and deferred income		2,117,423	940,190
		<u>38,464,122</u>	<u>27,095,672</u>
		<u>38,464,122</u>	<u>27,095,672</u>

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

15 Creditors: amounts falling due after more than one year

	Notes	2021 \$	2020 \$
Bank loans and overdrafts	16	11,000,000	16,701,231

16 Loans and overdrafts

	2021 \$	2020 \$
Bank loans	17,750,000	19,701,231
Payable within one year	6,750,000	3,000,000
Payable after one year	11,000,000	16,701,231

The long-term loans are secured by fixed charges over the assets of the company.

17 Finance lease obligations

	2021 \$	2020 \$
Future minimum lease payments due under finance leases:		
Within one year	-	32,448

18 Deferred taxation

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

	Liabilities 2021 \$	Liabilities 2020 \$
Balances:		
Accelerated capital allowances	2,944,341	1,270,746
Tax losses	(412,860)	(188,132)
	<u>2,531,481</u>	<u>1,082,614</u>
Movements in the year:		2021 \$
Liability at 1 July 2020		1,082,614
Charge to profit or loss		1,448,867
Liability at 30 June 2021		<u>2,531,481</u>

SATCOM GLOBAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

19 Share capital

	2021	2020	2021	2020
Ordinary share capital Issued and fully paid	Number	Number	\$	\$
Ordinary of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

20 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

21 Ultimate controlling party

Broadband Satellite Services Limited is regarded by the directors as being the company's ultimate parent company.

A copy of the consolidated financial statements can be obtained via the Companies House website.

The ultimate controlling party is Mr B Howes and Mr I Robinson through their shareholding in Broadband Satellite Services Limited.