

Registered No. 03879526

NSSLGLOBAL LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2023

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NSSLGlobal Limited

ANNUAL REPORT
For the year ended 31 December 2023

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NSSLGlobal Limited

COMPANY INFORMATION

DIRECTORS

Arild Nysæther (Chairman)
Sally-Anne Ray
Torkil Mogstad
Ann-Kari Amundsen Heier

SECRETARY

Sara Gordon

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

REGISTERED OFFICE

6 Wells Place
Gatton Park Business Centre
Redhill
Surrey
RH1 3DR

BANKERS

Danske Bank A/S
75 King William Street
London
EC4N 7DT

SOLICITORS

Irwin Mitchell
Belmont House
Station Way
Crawley
RH10 1JA

WEBSITE

www.nsslglobal.com

NSSLGlobal Limited

STRATEGIC REPORT

For the year ended 31 December 2023

REVIEW OF THE BUSINESS

NSSLGlobal results showed considerable growth in revenue in 2023 both across the Group and across its core mobility markets.

NSSLGlobal's prime focus in any year is to firstly secure and grow existing customers. In 2023 we successfully re-won tenders or negotiated extensions with all our Key maritime and government contracts that were due to end in 2023 by 2 to 5 years in duration. For many of our existing VSAT customers this also included an upgrade to our latest FusionIP^{LEO} service offering, which was launched in Qtr 2 2023, a hybrid of GEO, LTE & LEO satellite constellations. It combines the trusted benefits of a global, high availability GEO service with the low latency and high capacity from 5G networks and LEO satellites. At the core of this service is NSSLGlobal's Smart@Sea platform providing secure and seamless solutions to the end user, as well as additional cyber, Crew entertainment, IT and Management functionality.

Revenue growth in 2023 was also largely driven by increased engineering projects with both governmental and maritime customers alongside long-term maintenance contracts. NSSLGlobal also won several large tenders and projects across UK & Europe that will benefit the company in 2024 and beyond.

As a result, turnover was up by 7% (2022: up by 15%) at £94.1 m (2022: £87.96m). Gross profit however had a 3.5% decrease (2022: 14% increase) to £36.9 m (2022: £38.2m) due largely to the reduction in government airtime when compared to 2022 as a proportion of the overall business. Whilst airtime revenues continue to be significant due to continued operational activity in Eastern Europe and the Middle East it is nevertheless not at the heightened surge levels of early to mid-2022 when the Ukraine War first started.

Operating costs excluding depreciation increased by 16% (2022: 1% decrease). In part this was because of increased staff cost (both due to inflation but also in headcount as the company continues to grow its engineering resource to meet its future contract commitments and in line with its engineering powerhouse strategy) and in part due to significant foreign exchange gains during 2022 which was not repeated in 2023. Overall, this resulted in Operating profit of £14.5m (2022: £17.9m), which was 19% (2022: 42% higher) lower than 2022.

In line with our strategic intent of evolving into an Engineering Powerhouse in our chosen mobility markets we opened a new engineering office in Portsmouth during 2023 in order to support a new long term UK Navy contract that we won in the second half of 2023.

The Group continues to have strong operational cash flow. Cash management is important and has been achieved by focusing on blue chip customers, strong credit control policies and fast resolution of issues. Stock has increased significantly during 2023 both due to stock needed to support customer engineering projects and the need to hold different lines of stock to prevent supply chain delays. Debtors and Creditors have both increased during 2023 because of purchases for engineering projects and increased sales.

The Directors believe that we are well positioned as a group to provide future solid financial performance, whilst our continued investment and focus on our own engineering solutions and skillset will differentiate ourselves from our competition and provide us with new growth opportunities.

NSSLGlobal Limited

STRATEGIC REPORT

For the year ended 31 December 2023

KEY PERFORMANCE INDICATORS

The performance indicators which the Board currently considers to be the most important are as follows:

	31 December 2023	31 December 2022
1. Revenue	£94.14m	£87.96m
2. Gross Profit (Margin %)	£36.9m (39%)	£38.2m (43%)
3. Adjusted EBITDA*	£16.9m	£22.2m
4. Average staff headcount during year	226	212

*Adjusted EBITDA is Operating profit stated prior to depreciation, amortisation and impairment of intangible fixed assets.

As well as business performance as indicated above, the board also has additional key performance indicators including:-

- 1) As part of the Arendals Fossekampani ASA group of companies, NSSLGlobal is committed to sustainability as applied to its business activities, use of facilities and resources. We achieved ISO 14001 certification in 2018 and are a member of the UN Global Compact. We always follow and promote good sustainability practice, in order to reduce the environmental impacts of all our activities and to assist our customers and suppliers to do the same. Our ISO 14001 accreditation helps us focus efforts on energy efficiency, reducing our consumption and waste and providing us with areas to look for improvements.
- 2) A long-term goal is to reduce greenhouse gas emissions by 50% by 2035. In 2023, NSSLGlobal rolled out phase 3 of its Energy Savings Opportunities Scheme and the Streamlined Energy and Carbon Reporting programmes for the UK part of the company.
- 3) We also seek to be a fair employer and pride ourselves on being a customer and supplier of integrity. We expect the same of our clients, partners, and our supply chain. To support our core value of ethical business with customers, suppliers and partners and to encourage more collaborative working business environments, NSSLGlobal achieved certification for ISO 44001:2017 (Collaborative Business Relationship Management System) in 2021. This standard has a focus on trust and integrity and ensuring systems and processes in place to support positive collaborative relationships.

More details of our environmental, social and governance ("ESG") stance and our UN Global Compact statement can be found on our website.

RISKS AND UNCERTAINTIES

The Group faces a number of risks and uncertainties that may adversely affect our business, operations, financial position or future performance, many of which are wholly outside our control.

The satellite industry is going through a significant step change with the introduction of new LEO satellite entrants such as Starlink and OneWeb which are expected to drive down satellite airtime and hardware costs and cause significant competitive disruption to the whole industry. This has been in part mitigated by NSSLGlobal launching its own hybrid FusionIP^{LEO} service but airtime is expected to become significantly commoditized over the coming years which is why NSSLGlobal is increasing its activity into large governmental engineering projects as well as its SMART Maintenance contracts with its maritime customers.

NSSLGlobal Limited

STRATEGIC REPORT For the year ended 31 December 2023

RISKS AND UNCERTAINTIES (Continued)

The general freight issues and component shortages caused initially as a result of COVID-19 have improved, but costs of goods have increased significantly, especially for IT equipment, and delivery timescales extend for some products and components which result in delays to project roll outs.

We have seen a skilled labour shortage across Europe, but in particular in the UK and Germany. While this did start to improve at the end of 2023, finding skilled engineering labour continues to be a priority for NSSLGlobal to enable us to grow.

The directors have also considered the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk. Those that are considered to be material include a significant exchange rate fluctuation risk particularly in GBP/USD and in USD/EUR due to the increasing complexity in the intergroup group currency transactions as well as the difference in supplier (usually USD) and customer currencies (often GBP or EUR). The Board has sought, where necessary, to mitigate contract risk with a forward FX hedge.

As indicated above, NSSLGlobal has already extended several of its key customer contracts in 2023 with typically 2-to-5-year extensions/contract re-wins which means that over 65% of its 2024 budget is already secured against such contracts. One of its biggest contracts which was at risk in 2023 the Commercial Satellite Communication Services (CSCS) Contract, which was contracted under the Skynet 5 umbrella, and has been operating under various contract guises since 2001 was due to end in February 2024. We are pleased to report that this has recently been renewed for a minimum period of 5 years.

FUTURE DEVELOPMENTS

In 2024, we will continue with our long-term strategy of securing and growing our core maritime and government markets, with a focus on developing our engineering skillset and global resources and offices whilst ensuring that we continue to develop solutions and services geared around the requirements of our key customers who remain, as ever, at the core of our business.

The Group will also continue to pursue its strategy of NSSLGlobal branded services and value-added solutions by being a leading network operator and systems integrator with core technical competences in digital and internet-based services. While the new LEO satellite entrants will certainly continue to cause market disruption in 2024 and beyond, NSSLGlobal believes that it is well placed to take advantage of this change in technology via its FusionIP^{Leo} service.

The Group continues to finance all its customer, internal investments, and acquisitions from its strong operational cash flow. Cash management is important and has been achieved by focusing on blue chip customers, strong credit control policies and fast resolution of issues. Dividend policy is set to maintain cover for operational investments and working capital requirements.

NSSLGlobal Limited

STRATEGIC REPORT For the year ended 31 December 2023

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH s172(1) COMPANIES ACT 2006

The Board of Directors of NSSLGlobal Ltd consider that they have acted in the way that they believe, in good faith, would be most likely to promote the success of the Company and Group for the benefit of its members as a whole and in accordance with their duties as detailed in section 172 of the UK Companies Act 2006. This includes considering at all times:

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

Please see below how the Directors' fulfilled their duties:

- The Directors, together with supportive shareholders, are interested in the long-term success of the Company and Group. A rolling five year and strategy plan is produced each year and significant decisions are made with a balanced view of the impact on the current year together with the mid and longer term.
- A company risk register is maintained to ensure that risks are identified and evaluated to enable mitigation as far as possible and a strong balance sheet is maintained with strong cash reserves.
- One of our key objectives as a Board is to seek to be a fair employer and ensure that we are a customer and supplier of integrity. We expect the same of our customers, partners and our supply chain. Our employees are important to the success of NSSLGlobal and we seek to be a fair and responsible employer. The Company complies with all relevant legislation and we are committed to high health and safety standards to minimise accidents. Regular company-wide meetings and briefings are held to discuss key matters and significant events.
- We have a customer-focussed approach and maintain excellent relationships with our customers. In order to support our core value of ethical business with customers, suppliers and partners and to encourage more collaborative working business environments, NSSLGlobal is certified ISO 44001:2017.
- NSSLGlobal is a member of the UN Global Compact and continues to be committed to ensuring the sustainable development and environmental management are at the core of all activities undertaken by the company. ISO 14001 accreditation is helping us focus our efforts towards energy efficiency.

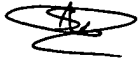
NSSLGlobal Limited

STRATEGIC REPORT
For the year ended 31 December 2023

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH s172(1) COMPANIES ACT 2006 (Continued)

- In 2022 NSSLGlobal agreed a Carbon Reduction Management Plan (updated in 2023) which is available on our website. It includes an ambitious target setting out how we will reduce our total annual carbon footprint by 50% by 2035 aligning with our parent company's aspirations and carbon reduction plans as well as an aspiration to reduce to 0% by 2050 in line with the UK government commitment.
- NSSLGlobal was accredited to ISO 45001:2018 in 2020. NSSLGlobal is committed to working safely and there have not been any reportable accidents during the period.
- The Board is committed to a high standard of security compliance to protect our assets and this is evidenced by our accreditation for ISO 27001.
- The Directors are committed to a good relationship with the shareholders of NSSLGlobal Ltd and to ensure that Company strategy and objectives are well communicated.

By order of the board



Sally-Anne Ray
Director

30/05/24
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¹ Arendals Fosskompani

NSSLGlobal Limited

DIRECTORS' REPORT

For the year ended 31 December 2023

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £11.2 million (2022: £13.6 million). The group paid a dividend of £10 million in 2023 (2022: £10m).

PRINCIPAL ACTIVITIES

The company, and group, is a satellite communications service provider and system integrator delivering consultancy, equipment, engineering projects and related service support for a range of commercial-off-the-shelf (COTS) and NSSLGlobal branded satellite, mobile, security and NAVCOM products. It is also a network operator, owning and operating its own Global VSAT hubs focused primarily on the commercial maritime and government mobility markets. The Group also continues to invest in NSSLGlobal Technologies AS which is a manufacturer of VSAT modem and Hub technology as well as providing an in-house software and hardware engineering R&D resource.

The Directors have had regard to the need to foster the company's business relationships with suppliers, customers and others during the year. The principal decisions taken by the company in the financial year in respect of this were to maintain a customer-focussed approach.

The group primarily operates from branches in the UK (HQ and 3 branch offices), Germany, Denmark, Norway, Poland, Singapore, Sweden, Netherlands, Israel and United States.

FINANCIAL INSTRUMENTS

Credit and cash flow risk from trade receivables are managed through policies on payment terms, and regular reviews of the balance and age of amounts outstanding. Liquidity risk in respect of trade payables is managed by ensuring sufficient funds are available to meet amounts falling due.

There is increasing complexity in the group's cross currency transactions, and the Board has sought, where necessary, to mitigate some of this risk with a forward currency contract. Further detail is provided in note 26 of the financial statements.

DIRECTORS

The directors who served during the year were as follows:

Sally-Anne Ray (CEO)
Arild Nysæther (Chairman)
Torkil Mogstad
Ann-Kari Amundsen Heier (appointed 16 April 2024)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

AUDITOR

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

STRATEGIC REPORT

In accordance with S414C of the Companies Act; included in the Strategic Report is the review of future developments and the exposure of the company to certain risks. This information would have otherwise been required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report.

NSSLGlobal Limited

DIRECTORS' REPORT

For the year ended 31 December 2023

ENERGY AND CARBON USAGE

As NSSLGlobal Limited (NSSLGlobal) is classified as a large unquoted company under the definitions set in Section 465 and 466, Chapter 15 of Companies Act 2006, it needs to comply with the new government legislation implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") on Streamlined Energy and Carbon Reporting (SECR).

To fulfil this, we have measured our UK energy and greenhouse gas emissions as classified within Scope 1, Scope 2 and mandatory element of Scope 3 of the Streamlined Energy and Carbon Reporting (SECR) regulations, which are presented in tables 1 and 2 as these are material to our organisation's activities.

The Company is not reporting non-mandatory elements of Scope 3 energy and GHG emissions as these are not material to our organisation.

Organisational and operational boundaries of the Company

NSSLGlobal's structural and operational boundaries are the same. NSSLGlobal is currently operating from four sites in the UK:

- 6 Wells Place, Gatton Park Business Centre, Redhill, Surrey, RH1 3DR – Head Office building
- Unit 7, Mercury Court, Orion Way, North Shields Tyne & Wear, NE29 7SN
- A support office in Cornwall where energy use is included in the service charge
- A support office in Portsmouth where energy use is included in the service charge

Environmental Performance

NSSLGlobal decided to follow and adapt, for SECR reporting, a widely recognised Greenhouse Gas Reporting Protocol – Corporate Standard methodology.

As at 31 December 2023 the company's energy usage and associated carbon emissions for the SECR year 4, 1 January to 31 December were as follows:

Table 1: Total energy consumption and associated GHG emissions from Scope 1, Scope 2 and Scope 3 emissions for the SECR Year 4 reporting period

Energy Type:		Energy Use (kWh)	% Split (kWh)	Emissions (tCO ₂ e/yr.)	% Split (tCO ₂ e)
Combustion of Gas	(Scope 1)	885,777	46.9%	162.0	42.4%
Electricity	(Scope 2)	656,774	34.7%	136.0	35.6%
Transport	(Scope 1 & 3)	347,515	18.4%	84.3	22.0%
Total	(Scope 1, 2 & 3)	1,890,065	100.00%	382.3	100.00%

Note: Columns may not always add up due to rounding of numbers

Energy Efficiency Actions

We have expanded our fleet for field service engineers by adding two electric vans. Regarding charging infrastructure, we have installed four new electric vehicle (EV) charging points at Redhill and at the Newcastle office, serving the needs of both staff and visitors, as well as supporting our two EV vehicles.

We carried out a comprehensive survey with full participation to evaluate both greenhouse gas emissions and employee interest in initiatives such as an EV lease scheme, car sharing, and the cycle-to-work programme. Notably, 50% of employees expressed interest in the EV lease scheme.

NSSLGlobal Limited

DIRECTORS' REPORT

For the year ended 31 December 2023

At the Redhill Warehouse, we have introduced new racking to enhance forklift efficiency and ergonomics. Additionally, we have installed new LED lighting fittings to increase energy efficiency. We plan to replace central heating radiators in 2024/25 with a more efficient HVAC system.

We've installed sensor switches for lighting in our buildings to promote energy conservation. Furthermore, our commitment to green energy continues by procuring sustainable gas and electricity. Employee awareness has been raised through in-house online training programmes, switch-off campaigns, and company newsletters, all aimed at reducing electricity consumption.

For more details on our efforts and initiatives, our Carbon Reduction Management Plan is accessible on our company website.

Intensity ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. NSSLGlobal has chosen to compare both energy consumption and associated emissions against the annual turnover figure and the total number of full-time equivalent (FTE) employees for the 2023 financial year, which is the company SECR Year 4 reporting period. In addition, the historic SECR Year 1, Year 2 and Year 3 energy performance indicators have also been presented to show NSSLGlobal energy consumption and emission indicators trend.

Table 2 Intensity Ratio - Energy consumption and associated GHG emissions per the number of Full Time Employees (FTE)

Reporting Year	Total Energy Consumption (kWh)	Total greenhouse gases emissions (tCO2e)	Total number of Full Time Employee (FTE)	Intensity Ratio (kWh / FTE)	Intensity Ratio (tCO2e / FTE)	Adjusted Intensity Ratio (kWh / FTE)*	Adjusted Intensity Ratio (tCO2e / FTE)*
SECR Year 1	1,644,013	342.89	120	13,700	2.86	8,898*	1.74*
SECR Year 2	1,791,274	357.65	128	13,994	2.79	9,435*	1.83*
SECR Year 3	1,811,293	359.1	125	14,490	2.87	2,639*	0.66*
SECR Year 4	1,890,065	382	136	13,898	2.81	2,555*	0.62*

Table 3 Intensity Ratio - Energy consumption and associated GHG emissions per the annual turnover

Reporting Year	Total Energy Consumption (kWh)	Total greenhouse gases emissions (tCO2e)	Annual turnover £m	Intensity Ratio (kWh / £100k of turnover)	Intensity Ratio (tCO2e / £100k of turnover)	Adjusted Intensity Ratio (kWh / £100k of turnover)	Adjusted Intensity Ratio (tCO2e / £100k of turnover)
SECR Year 1	1,644,013	342.89	£52.4m	3,139	0.65	2,039*	0.40*
SECR Year 2	1,791,274	357.65	£52.0m	3,443	0.69	2,321*	0.45*
SECR	1,811,293	359.1	£64.8m	2,795	0.55	509*	0.13*

NSSLGlobal Limited

Year 3							
SECR							
Year 4	1,890,065	382	£65.1m	2,904	0.59	534 ⁺	0.13 ⁺

Energy intensity ratios are calculated and presented as advised by the Department for Energy Security and Net Zero (ESNZ), formerly known as the Department of Business Energy and Industry Strategy (BEIS) recommendations. Both adjusted and not adjusted energy intensity ratios are calculated and presented as by ESNZ recommendations.

* Adjusted Intensity Ratios are claiming zero GHG emissions from grid-supplied electricity purchased from 100% renewable sources.

* Adjusted Intensity Ratios are claiming zero GHG emissions from grid-supplied electricity purchased from 100% renewable sources and gas purchased from 10% green gas and 90% carbon credits.

Methodology

The methodology used for determining energy and carbon emissions comes from a number of sources of our greenhouse emissions

- Natural gas used for heating the building we occupy (Scope 1)
- Electricity used for lighting; heating, ventilation and air conditioning (HVAC), and the operation of office and warehouse equipment (Scope 2)
- Transport activities, consumption use by company cars and vans, as well as by grey fleet operated for transport and business travel purposes (Scope 1 and Scope 3)

The energy consumption, both gas and electricity, for Redhill use accurate and verifiable invoice data and cover a full 12 months SECR Year 4 reporting period. Electricity consumption at North Shields is also taken from actual meter readings over the full year of operation. Gas consumption at North Shields was calculated from two actual readings in January and October, and estimated readings in November 2023. December's consumption was estimated from consumption in January 2023 and adjusted for a full month. In all cases, energy use was adjusted to a full year's data as necessary.

Energy consumption for our Cornwall and Portsmouth offices have been estimated based on the occupied floor area (48m² and 160m² respectively) and has been included in the SECR statement. The Portsmouth office as also adjusted for the period of operation in 2023 i.e. 5 months.

Transport emissions in company vans and from pool cars was calculated from the quantity of fuel used. Emissions from the use of personal vehicles (grey fleet) on business travel was determined from mileage claims, held in the company's expenses system.

Greenhouse gas emissions have been calculated using the UK Government approved and published conversion factors for company reporting, 2023

Intensity ratios have also been adjusted to zero GHG emissions from grid-supplied electricity purchased from 100% renewable sources and gas purchased from 10% green gas and 90% carbon credits.

By order of the board



Sally-Anne Ray
Director

30/05/24

NSSLGlobal Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company 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 group and the company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NSSLGlobal Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSSLGLOBAL LIMITED

Opinion

We have audited the financial statements of NSSLGlobal Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent company's affairs as at 31 December 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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 the 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.

NSSLGlobal Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSSLGLOBAL LIMITED (Continued)

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team and component auditors:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

NSSLGlobal Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NSSLGLOBAL LIMITED (Continued)

The extent to which the audit was considered capable of detecting irregularities, including fraud (Continued)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities.

The group audit engagement team identified the risk of management override of controls and cut-off of revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and testing the recognition of revenue transactions either side of the year-end.

All relevant laws and regulations identified at a Group level and areas susceptible to fraud that could have a material effect on the consolidated financial statements were communicated to component auditors. Any instances of non-compliance with laws and regulations identified and communicated by a component auditor were considered in our group audit approach.

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 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.

Neil Mellor

Neil Mellor (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House, Forbury Square,
Reading, Berkshire,
RG1 3EU

30/05/24
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NSSLGlobal Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
TURNOVER	7	94,144	87,960
Cost of sales			
Depreciation		-	1,318
Other cost of sales		57,292	48,467
		<u>(57,292)</u>	<u>(49,785)</u>
GROSS PROFIT		<u>36,852</u>	<u>38,175</u>
Administrative expenses			
Depreciation and amortisation		2,312	3,062
Other administrative expenses excluding depreciation and amortisation		20,015	17,221
		<u>(22,327)</u>	<u>(20,283)</u>
OPERATING PROFIT		<u>14,525</u>	<u>17,892</u>
Share of results of joint venture		83	137
Fair value gains/(losses) on foreign exchange contracts	26	(561)	343
Interest receivable and similar income	12	1,113	370
Interest payable and similar expenses	13	(549)	(163)
		<u>14,611</u>	<u>18,579</u>
PROFIT BEFORE TAXATION	14	14,611	18,579
Taxation	15	(3,409)	(4,959)
		<u>11,202</u>	<u>13,620</u>
PROFIT AFTER TAXATION AND PROFIT FOR THE FINANCIAL YEAR		<u>11,202</u>	<u>13,620</u>
OTHER COMPREHENSIVE INCOME (net of tax)			
Currency translation differences		(42)	705
		<u>11,160</u>	<u>14,325</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		<u><u>11,160</u></u>	<u><u>14,325</u></u>

NSSLGlobal Limited

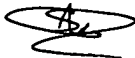
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Company Registration Number: 03879526)

At 31 December 2023

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Goodwill	17	995	2,384
Other intangible assets	18	-	54
Tangible assets	19	2,525	1,885
Investments	20	551	468
		<u>4,071</u>	<u>4,791</u>
CURRENT ASSETS			
Stock	22	16,116	11,226
Debtors due within one year	23	19,463	16,112
Debtors due after more than one year	23	523	832
Cash at bank and in hand		28,719	32,021
		<u>64,821</u>	<u>60,191</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	24	(34,428)	(31,678)
NET CURRENT ASSETS		<u>30,393</u>	<u>28,513</u>
NET ASSETS		<u>34,464</u>	<u>33,304</u>
CAPITAL AND RESERVES			
Called up share capital	27	5,000	5,000
Profit and loss account		29,464	28,304
TOTAL EQUITY		<u>34,464</u>	<u>33,304</u>

The financial statements on pages 16 to 44 were approved by the board of directors and authorised for issue on ^{30/05/24}..... and signed on their behalf by:



Sally-Anne Ray
Director

30/05/24
.....

NSSLGlobal Limited

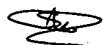
COMPANY STATEMENT OF FINANCIAL POSITION (Company Registration Number: 03879526)

At 31 December 2023

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible assets	19	1,873	1,096
Investments	20	17,965	17,965
		<u>19,838</u>	<u>19,061</u>
CURRENT ASSETS			
Stock	22	7,802	5,994
Debtors due within one year	23	12,181	9,293
Debtors due after more than one year	23	527	832
Cash at bank and in hand		20,511	23,915
		<u>41,021</u>	<u>40,034</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	24	(22,689)	(20,834)
NET CURRENT ASSETS		<u>18,332</u>	<u>19,200</u>
NET ASSETS		<u>38,170</u>	<u>38,261</u>
CAPITAL AND RESERVES			
Called up share capital	27	5,000	5,000
Profit and loss account		33,170	33,261
TOTAL EQUITY		<u>38,170</u>	<u>38,261</u>

The Company's profit and total comprehensive income for the year were £9,909,000 (2022: £15,165,000).

The financial statements on pages 16 to 44 were approved by the board of directors and authorised for issue on ^{30/05/24}..... and signed on their behalf by:



Sally-Anne Ray
Director

30/05/24
.....

NSSLGlobal Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2023

	<u>Attributable to the owners of the parent</u>		
	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2022	5,000	23,979	28,979
Profit for the year	-	13,620	13,620
Other comprehensive income net of tax:- Currency translation differences on overseas subsidiaries	-	705	705
Total comprehensive income for the year	-	14,325	14,325
Transactions with owners in their capacity as owners:- Dividends	-	(10,000)	(10,000)
Total transactions with owners in their capacity as owners	-	(10,000)	(10,000)
Balance at 31 December 2022	5,000	28,304	33,304
Profit for the year	-	11,202	11,202
Other comprehensive income net of tax:- Currency translation differences on overseas subsidiaries	-	(42)	(42)
Total comprehensive income for the year	-	11,160	11,160
Transactions with owners in their capacity as owners:- Dividends	-	(10,000)	(10,000)
Total transactions with owners in their capacity as owners	-	(10,000)	(10,000)
Balance at 31 December 2023	5,000	29,464	34,464

NSSLGlobal Limited

COMPANY STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2023

	Share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2022	5,000	28,096	33,096
Profit and total comprehensive income for the year	-	15,165	15,165
Total comprehensive income for the year	-	15,165	15,165
Transactions with owners in their capacity as owners:-			
Dividends	-	(10,000)	(10,000)
Total transactions with owners in their capacity as owners	-	(10,000)	(10,000)
Balance at 31 December 2022	5,000	33,261	38,261
Profit and total comprehensive income for the year	-	9,909	9,909
Total comprehensive income for the year	-	9,909	9,909
Transactions with owners in their capacity as owners:-			
Dividends	-	(10,000)	(10,000)
Total transactions with owners in their capacity as owners	-	(10,000)	(10,000)
Balance at 31 December 2023	5,000	33,170	38,170

NSSLGlobal Limited

CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
OPERATING ACTIVITIES			
Cash generated from operations	29	10,835	19,039
Interest paid		(549)	(163)
UK income tax paid		(1,970)	(3,889)
Foreign income taxes paid (net)		(676)	(854)
NET CASH FROM OPERATING ACTIVITIES		<u>7,640</u>	<u>14,133</u>
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(1,591)	(1,562)
Interest received		1,113	370
NET CASH USED IN INVESTING ACTIVITIES		<u>(478)</u>	<u>(1,192)</u>
FINANCING ACTIVITIES			
Dividends paid	16	(10,000)	(10,000)
NET CASH USED IN FINANCING ACTIVITIES		<u>(10,000)</u>	<u>(10,000)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		<u>(2,838)</u>	<u>2,941</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		<u>30,023</u>	<u>27,082</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>27,185</u></u>	<u><u>30,023</u></u>
Relating to:			
Bank balances included in cash at bank and in hand		28,719	32,021
Overdrafts included in creditors: amounts falling due within one year		(1,534)	(1,998)
		<u>27,185</u>	<u>30,023</u>

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

1. GENERAL INFORMATION

NSSLGlobal Ltd ('the Company') is a private company limited by shares and is registered, domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is 6 Wells Place, Gatton Park Business Centre, Redhill, Surrey, RH1 3DR.

The Group consists of NSSLGlobal Ltd and all of its subsidiaries.

The Company and the Group's principal activities are providing integrated satellite telecommunications solutions to its customers.

2. BASIS OF ACCOUNTING

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

3. REDUCED DISCLOSURES

The Company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:-

- 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; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of Arendals Fossekompagni ASA. The consolidated financial statements of Arendals Fossekompagni ASA are available from its registered office, PB280, N-4803 Arendal, Norway.

4. COMPANY STATEMENT OF COMPREHENSIVE INCOME

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income as it prepares group accounts and the company's individual statement of financial position shows the company's profit or loss for the financial year.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

5. PRINCIPAL ACCOUNTING POLICIES

A summary of the main accounting policies is set out below.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of NSSLGlobal Limited and all of its subsidiaries (i.e entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2023.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date, of the assets given, equity instruments issued and liabilities incurred or assumed, plus directly attributable costs.

The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

GOING CONCERN

The directors have considered the forecasts for the forthcoming 12 months from the signing of these accounts and based on the existing cash and projected income and expenditure they are satisfied the Group and Company has adequate resources to continue in operations for the foreseeable future. Accordingly the going concern basis has been used in preparing these accounts.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The consolidated financial statements are presented in sterling which is also the functional currency of the Company.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

5. PRINCIPAL ACCOUNTING POLICIES (Continued)

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to the profit and loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translated gain or loss is also recognised in other comprehensive income.

Assets, liabilities, and results of overseas subsidiaries (including goodwill and fair value adjustments in relation to overseas subsidiaries) are translated into the Group's presentation currency at the rate ruling at the reporting date. Income and expenses of overseas subsidiaries are translated at the average rate for the year as the directors consider this to be a reasonable approximation to the rate at the date of the transaction. Translation differences are recognised in other comprehensive income and accumulated in equity.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Turnover is recognised at the point of dispatch of goods or provisions of services or when risk has been passed to the customer.

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 are capitalised as an intangible fixed asset or a tangible fixed asset.

Some employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS

Defined Contribution Plans

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

5. PRINCIPAL ACCOUNTING POLICIES (Continued)

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of the assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

INTANGIBLE FIXED ASSETS – GOODWILL

Goodwill is capitalised and written off evenly over 5 - 10 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

5. PRINCIPAL ACCOUNTING POLICIES (Continued)

INTANGIBLE FIXED ASSETS – OTHER

Intangible assets arising on a business combination are recognised, except where the asset arises from legal or contractual rights.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives of 2 to 5 years.

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 provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Leasehold improvements	-	over the initial period of the lease
Furniture and equipment	-	3 to 8 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were the age and in the condition expected at the end of its useful life.

LEASES

The Group and Company as Lessee - Operating Leases

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

The Group and Company as Lessor - Operating Leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

5. PRINCIPAL ACCOUNTING POLICIES (Continued)

IMPAIRMENT OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash generating unit to which the goodwill belongs.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit and loss.

Any impairment loss recognised for goodwill is not reversed. For fixed assets other than goodwill, recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

FIXED ASSET INVESTMENTS

In the separate accounts of the Company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries, associates and jointly controlled entities are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

JOINTLY CONTROLLED ENTITIES

Entities in which the Group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. The Group's share of the results, other comprehensive income and equity of jointly controlled entities are accounted for using the equity method based on the jointly controlled entity's financial statements to 31 December.

STOCKS

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out basis and for finished goods and work in progress, includes the expenditure of bringing the goods to their location and condition at the year-end.

At each reporting date, the Group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock 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.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

5. PRINCIPAL ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Recognition and measurement of financial instruments

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

Financial assets and liabilities at amortised cost

Trade and Other Debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial Liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Trade and Other Creditors

Trade and other creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Bank Overdrafts

Bank overdrafts are presented within creditors: amounts falling due within one year.

Equity Instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Financial instruments at fair value

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to fair value, at each reporting date. Fair value gains and losses are recognised in profit or loss.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

5. PRINCIPAL ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

WARRANTY OBLIGATIONS AND SUPPORT PROVISIONS

In respect of warranty obligations, when turnover is recognised for the sale of goods or the provision of services, a provision is made for the estimated cost of the warranty obligation and presented within other creditors. The provision is measured based on the probability weighting of all possible outcomes.

Support costs are accrued at the year-end for specific customer contracts to match revenue earned and presented within other creditors. They are based on management's best estimate of the costs the Group is liable for at the year-end based on revenue earned which have not yet been incurred using a model of total expected costs across the life of the contracts.

6. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimate and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The support costs accrued at the year-end for specific customer contracts are based on management's best estimate of the costs the Group is liable for at the year-end which have not yet been incurred using a model of total expected costs across the life of the contracts. This amounted to £1,420,000 (2022: £805,000) at the year-end.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

7. TURNOVER

An analysis of the geographical location of the Group's turnover, based on the customer's billing address, is as follows:

Geographic analysis	2023 £'000	2022 £'000
Rest of Europe	32,142	28,176
United Kingdom	41,118	39,786
Rest of world	17,812	18,180
USA	3,072	1,818
	<u>94,144</u>	<u>87,960</u>

The analysis of turnover by class of business has not been given as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the Group.

8. EMPLOYEES

GROUP

	2023 No.	2022 No.
The average monthly number of persons (including directors) employed by the Group during the year was:		
Selling and distribution	188	174
Administration	38	38
	<u>226</u>	<u>212</u>

	2023 £'000	2022 £'000
Staff costs for the above persons:		
Wages and salaries	14,418	13,928
Social security costs	1,472	1,355
Other pension costs	440	463
	<u>16,330</u>	<u>15,746</u>

COMPANY

	2023 No.	2022 No.
The average monthly number of persons (including directors) employed by the Company during the year was:		
Selling and distribution	118	109
Administration	19	19
	<u>137</u>	<u>128</u>

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

8. EMPLOYEES (Continued)

COMPANY (Continued)

	2023 £'000	2022 £'000
Staff costs for the above persons:		
Wages and salaries	7,994	7,407
Social security costs	878	843
Other pension costs	298	278
	<u>9,170</u>	<u>8,528</u>

9. DIRECTORS' EMOLUMENTS

In respect of the directors of NSSLGlobal Ltd:	2023 £'000	2022 £'000
Emoluments	358	343
Company contributions to defined contribution pension schemes	14	14
	<u>373</u>	<u>357</u>

Included in the amounts above are £23,000 (2022: £36,000) of fees payable to the parent company, Arendals Fossekompagni ASA, in respect of statutory director services received by NSSLGlobal Limited.

The number of directors to whom retirement benefits are accruing under defined contribution pension schemes is one (2022: one director).

Directors' emoluments disclosed above include the following payments to the highest paid director.

	2023 £'000	2022 £'000
Emoluments	323	308
Company contributions to defined contribution pension schemes	14	14
	<u>337</u>	<u>322</u>

10. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The total remuneration of the directors and non-statutory directors of the stock, sales and finance areas, who are considered to be the key management personnel of the Group, was £2,601,599 (2022: £2,392,728).

11. RETIREMENT BENEFITS

The Group makes payments to defined contribution pension schemes for all qualifying employees. The assets of these schemes are held separately from those of the Group in independently administered funds. The contributions payable by the Group charged to profit or loss amounted to £440,000 (2022: £463,000). Contributions totalling £50,279 (2022: £45,000) were payable to the fund at the year end and are included in creditors.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

12. INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £'000	2022 £'000
Bank interest	1,113	370
	<u>1,113</u>	<u>370</u>

13. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £'000	2022 £'000
Bank overdraft interest	202	98
Other interest	347	65
	<u>549</u>	<u>163</u>

14. PROFIT BEFORE TAXATION

	2023 £'000	2022 £'000
Profit before taxation is stated after charging/(crediting):		
Depreciation	927	2,891
Amortisation of goodwill	1,332	1,364
Amortisation of intangible fixed assets	53	125
Exchange (gains)/losses	176	(1,634)
Stock impairment losses recognised in cost of sales	100	37
Operating lease rentals receivable	(160)	(160)
Operating lease rentals:		
Land and buildings	1,405	1,314
Plant and machinery	50	72
	<u> </u>	<u> </u>

	2023 £'000	2022 £'000
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows;		
Audit services – statutory audit of the parent and consolidated accounts	108	98
Audit services – statutory audit of associates of the Company	31	32
Audit services – other assurance services	-	-
Taxation compliance and advisory services	26	19
Other non-audit services	26	31
	<u> </u>	<u> </u>

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

15. TAXATION

	2023 £'000	2022 £'000
Current tax:		
UK corporation tax	2,565	3,363
Foreign tax	1,144	1,216
Adjustments in respect of prior periods	(607)	-
	<u>3,102</u>	<u>4,579</u>
Deferred tax:		
Origination and reversal of timing differences	307	380
Adjustments in respect of prior periods	-	-
Effect of change in tax rates and laws	-	-
	<u>307</u>	<u>380</u>
Total tax on profit	<u>3,409</u>	<u>4,959</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower (2022: higher) than the standard rate of corporation tax in the UK of 23.5% (2022: 19%).

The differences are explained below:

Profit before tax	16,611	18,579
Profit before tax multiplied by the standard rate of corporation tax in the UK of 23.5% (2022: 19%).	3,434	3,530
Effects of:		
Expenses not deductible for tax purposes	204	855
Adjustment to tax charge in respect of prior periods	(607)	(50)
Other tax adjustments	(48)	275
Effect of tax rates of subsidiaries operating in other jurisdictions	426	349
Tax rate adjustment	-	-
Tax expense	<u>3,409</u>	<u>4,959</u>

In March 2021, the Finance Bill was announced and was substantively enacted on 24 May 2021. This included legislation that the UK corporation tax rate will increase to 25% from 1 April 2023. As this change was substantively enacted at the balance sheet date, where deferred tax is recognised, it is at a rate of 25% in the current year (2022: 25%).

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

16. DIVIDENDS

	2023 £'000	2022 £'000
Ordinary: Interim paid - £2.00 per share (2022: £2.00 per share)	10,000	10,000

17. INTANGIBLE FIXED ASSETS - GOODWILL

GROUP

	£'000
Cost:	
At 1 January 2023	19,203
Exchange adjustment	(315)
At 31 December 2023	<u>18,888</u>
Amortisation and impairment:	
At 1 January 2023	16,819
Charge for the year	1,332
Exchange adjustment	(258)
At 31 December 2023	<u>17,893</u>
Carrying amount:	
At 31 December 2023	995
At 31 December 2022	<u>2,384</u>

The goodwill is being amortised over periods ranging from 5 – 10 years extending to 2024.

COMPANY

	£'000
Cost:	
At 1 January 2023 and 31 December 2023	4,924
Amortisation:	
At 1 January 2023 and 31 December 2023	4,924
Carrying amount:	
At 1 January 2023 and 31 December 2023	-

The amortisation of goodwill in both the group and the company is included within depreciation and amortisation in the statement of comprehensive income.

The goodwill in both the group and company arises from acquisitions made in previous years.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

18. OTHER INTANGIBLE ASSETS

GROUP	Patents and Intellectual Property Rights £'000	Customer Contracts £'000	Total £'000
Cost:			
At 1 January 2023	342	593	935
Exchange adjustment	(29)	(11)	(40)
At 31 December 2023	<u>313</u>	<u>582</u>	<u>895</u>
Amortisation and impairment:			
At 1 January 2023	342	539	881
Amortisation charged in the year	-	53	53
Exchange adjustment	(29)	(10)	(39)
At 31 December 2023	<u>313</u>	<u>582</u>	<u>895</u>
Carrying amount:			
At 31 December 2023	-	-	-
At 31 December 2022	<u>-</u>	<u>54</u>	<u>54</u>

The intangible assets are being amortised over a five year period. The amortisation is included within depreciation and amortisation in the statement of comprehensive income.

19. TANGIBLE ASSETS

GROUP	Furniture and Equipment £'000	Leasehold Improvements £'000	Total £'000
Cost:			
At 1 January 2023	15,935	702	16,637
Additions	1,612	-	1,612
Disposals	(72)	-	(72)
Exchange adjustment	(189)	-	(189)
At 31 December 2023	<u>17,286</u>	<u>702</u>	<u>17,988</u>
Depreciation:			
At 1 January 2023	14,050	702	14,752
Depreciation charged in the year	927	-	927
Eliminated in respect of disposals	(51)	-	(51)
Exchange adjustment	(165)	-	(165)
At 31 December 2023	<u>14,761</u>	<u>702</u>	<u>15,463</u>
Carrying amount:			
At 31 December 2023	2,525	-	2,525
At 31 December 2022	<u>1,885</u>	<u>-</u>	<u>1,885</u>

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

19. TANGIBLE ASSETS (Continued)

COMPANY	Furniture and Equipment £'000	Leasehold Improvements £'000	Total £'000
Cost:			
At 1 January 2023	10,885	702	11,587
Additions	1,414	-	1,414
Disposals	(65)	-	(65)
At 31 December 2023	<u>12,234</u>	<u>702</u>	<u>12,936</u>
Depreciation:			
At 1 January 2023	9,789	702	10,491
Depreciation charged in the year	616	-	616
Eliminated in respect of disposals	(44)	-	(44)
At 31 December 2023	<u>10,361</u>	<u>702</u>	<u>11,063</u>
Net book value:			
At 31 December 2023	<u>1,873</u>	<u>-</u>	<u>1,873</u>
At 31 December 2022	<u>1,096</u>	<u>-</u>	<u>1,096</u>

The depreciation of tangible fixed assets in both the group and the company is included within cost of sales and administrative expenses in the statement of comprehensive income.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

20. FIXED ASSET INVESTMENTS

	GROUP		COMPANY	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cost or valuation				
At 1 January	468	331	18,349	18,349
Share of results of joint venture	83	137	-	-
At 31 December	<u>551</u>	<u>468</u>	<u>18,349</u>	<u>18,349</u>
Provisions for impairment				
At 1 January	-	-	384	384
At 31 December	<u>-</u>	<u>-</u>	<u>384</u>	<u>384</u>
Carrying amount:				
- Subsidiary undertakings			17,965	17,965
- Jointly controlled entity (note 21)	551	468	-	-
At 31 December	<u>551</u>	<u>468</u>	<u>17,965</u>	<u>17,965</u>

The Company's subsidiary undertakings are:

Name of Undertaking	Registered office	Proportion of ordinary shares held	Nature of business
NSSLGlobal ApS	Vestre Gade 6, 1., 2605 Brøndby, Denmark	100%	Satellite communication
NSSLGlobal GmbH	Hanskampring 4, 22885 Barbüttel, Germany	100%	Satellite communication
NSSLGlobal Distribution GmbH	Hanskampring 4, 22885 Barbüttel, Germany	100%	Satellite communication

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

20. FIXED ASSET INVESTMENTS (Continued)

Name of Undertaking	Registered office	Proportion of ordinary shares held	Nature of business
ESS Hanika GmbH	Hanskampring 4, 22885 Barbüttel, Germany	100%	Satellite communication
NSSLGlobal sp. z o.o.	Ul. Klaudyńy 21/9 01-684 Warszawa, Poland	100%	Satellite communication
NSSLGlobal LLC*	615 South DuPont Highway, Dover, DE 19901, USA	100%	Satellite communication
NSSLGlobal PTE Ltd*	11 Lorong 3 Toa Payoh, Bik B, #03-25, Jackson Square, Singapore 319579	100%	Satellite communication
Nera Satellite Services Ltd*	6 Wells Place, Gatton Business Centre, Redhill, Surrey RH1 3DR England	100%	Dormant
NSSL Ltd*	6 Wells Place, Gatton Business Centre, Redhill, Surrey RH1 3DR England	100%	Dormant
NSSLGlobal Technologies AS	Storgata 5, 9008 Tromse, Norway c/o One Azrieli Center, Round Building, Tel Aviv 67021, Israel	100%	Satellite communication
NSSLGlobal IL Ltd*	Sanden 7, 475 42 Hono, Sweden	100%	Satellite communication
NSSLGlobal AB*	Hiyama Daini Bldg. 7F, 2-20-30 Takanawa, Minato-ku, Tokyo	100%	Satellite communication
NSSLGlobal KK*	Grotelant 6, VA 9678 Scheemda, Netherlands	100%	Satellite communication
NSSLGlobal BV*		100%	Satellite communication

The above companies marked * have been owned from incorporation and the total cost of these investments is less than £1,000.

The above companies are owned directly by NSSLGlobal Ltd.

The dormant companies registered in England registered above are exempt from the requirement for audit under section 479A of the Companies Act 2006. Dormant company accounts are filed with the registrar.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

21. JOINT VENTURE & ASSOCIATE

The company holds the following interests in a jointly controlled entity:

Name of Undertaking	Registered office	Proportion of ordinary shares directly held	Nature of business
Aero-Satcom Limited	6 Wells Place Gatton Business Centre Redhill RH1 3DR	50%	Satellite communication

The group has a 50% equity shareholding (and voting rights) in Aero-Satcom Limited, a joint venture established in the UK. This investment is held at a carrying amount of £551,000 (2022: £468,000) under the equity method.

Subsequent to the year end the directors are considering a wind up of Aero-Satcom Limited, however the directors of NSSLGlobal Limited have assessed that no impairment in the investment value is required as it is supported by the residual net assets of the company.

22. STOCKS

	2023 £'000	2022 £'000
GROUP		
Finished goods and goods for resale	11,168	8,842
Work in Progress	4,948	2,384
	<u>16,116</u>	<u>11,226</u>
COMPANY		
Finished goods and goods for resale	<u>7,802</u>	<u>5,994</u>

The replacement cost of stocks is not considered materially different from the costs shown above.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

23. DEBTORS

	GROUP		COMPANY	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts falling due within one year:				
Trade debtors	13,284	11,261	6,972	5,501
Amounts owed by group undertakings	-	-	2,556	2,540
Amounts owed by associated undertakings	15	3	3	3
Other debtors	3,363	3,197	-	-
Prepayments and accrued income	2,801	1,651	2,650	1,249
	<u>19,463</u>	<u>16,112</u>	<u>12,181</u>	<u>9,293</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 25)	523	832	527	832
	<u>19,986</u>	<u>16,944</u>	<u>12,708</u>	<u>10,125</u>

Other debtors include £299,000 (2022: £878,000) in respect of foreign currency forward contracts. Further detail is included in Note 26.

24. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank overdraft	1,534	1,998	-	-
Trade creditors	4,039	3,895	1,596	1,953
Amounts owed to group undertakings	-	-	2,423	2,210
Other taxes and social security costs	803	1,286	640	1,056
Corporation tax payable	709	252	13	25
Other creditors	3,081	2,543	1,917	1,408
Accruals and deferred income	24,262	21,699	16,100	14,182
	<u>34,428</u>	<u>31,673</u>	<u>22,689</u>	<u>20,834</u>

Included within other creditors is a liability for a benefit provided to a former employee in perpetuity. The liability has been calculated as £459,080 (2022: £494,000).

The bank overdraft of £1,534,000 (2022: £1,998,000) is secured by a floating charge on the assets of NSSLGlobal Limited.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

25. DEFERRED TAX

Deferred taxation provided in the financial statements is as follows:

GROUP	Decelerated capital allowances £'000	Short term timing differences £'000	Total £'000
At 1 January 2023 (included in debtors)	643	189	832
Movement in the year	(350)	41	309
At 31 December 2023 (included in debtors)	<u>293</u>	<u>230</u>	<u>523</u>

COMPANY	Decelerated capital allowances £'000	Short term timing differences £'000	Total £'000
At 1 January 2023 (included in debtors)	643	189	832
Movement in the year	(350)	45	305
At 31 December 2023 (included in debtors)	<u>293</u>	<u>234</u>	<u>527</u>

A deferred tax asset of £5,790 (2022: £5,790) held by NSSLGlobal Limited, has not been provided for in respect of capital losses, as their recoverability is considered remote.

NSSLGlobal Technology AS, a wholly owned subsidiary of NSSLGlobal Limited, has a potential deferred tax asset arising due to trading losses of approximately £1,897,050 (2022: £2,135,000) for which no asset has been recognised as the recoverability is considered remote.

26. FINANCIAL INSTRUMENTS

The carrying amount of the Group's financial instruments measured at fair value through profit or loss at 31 December were:

GROUP	2023 £'000	2022 £'000
Financial assets measured at fair value through profit or loss	299	878
Financial liabilities measured at fair value through profit or loss	-	-
	<u>299</u>	<u>878</u>

NSSLGlobal GmbH, a subsidiary of NSSLGlobal Limited, has entered into foreign currency forward contracts to manage the foreign exchange risk of future transactions and cash flows. The contracts are valued based on available market data. The Group does not adopt hedge accounting for forward exchange contracts, consequently, fair value gains and losses are recognised in profit or loss.

At the year end, the outstanding foreign exchange forward contracts that the Group had committed to amounted to £3,080,500 (2022: £7,695,000), represented by contracts to sell Euros in exchange for US Dollars between the 1 January 2021 and the 31 December 2025.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

27. SHARE CAPITAL

GROUP AND COMPANY

	2023 £'000	2022 £'000
Equity shares:		
Allotted, issued and fully paid:		
5,000,000 Ordinary shares of £1 each	5,000	5,000

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

28. RESERVES

Reserves of the Group and Company represent the Profit and loss account, being the cumulative profit and loss net of distributions to owners.

29. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH GENERATED FROM OPERATIONS

	2023 £'000	2022 £'000
Profit after tax	11,202	13,620
Adjustments for:		
Depreciation of tangible fixed assets	927	2,891
Amortisation of goodwill	1,332	1,364
Amortisation of intangible fixed assets	53	125
Share of profit from jointly controlled entities	(83)	(137)
Fair value movement on financial instruments	(561)	(343)
Foreign exchange difference arising on consolidation	42	524
Loss on disposal of tangible fixed assets	1	19
Interest receivable	(1,113)	(370)
Interest payable	549	163
Taxation	3,409	4,959
Operating cash flows before movements in working capital	15,758	22,815
Decrease / (Increase) in stocks	(4,890)	(3,966)
(Increase) / Decrease in debtors	(3,352)	(4,137)
Increase / (Decrease) in creditors	3,319	4,327
Cash generated from operations	10,835	19,039

Consolidated analysis of change in net debt

Group	1 January 2023 £'000	Cashflow £'000	Non-cash movements £'000	31 December 2023 £'000
Cash at bank and in hand	(32,021)	3,302	-	(28,719)
Bank overdraft	1,998	(464)	-	1,534
Total net debt	(30,023)	2,838	-	(27,185)

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

30. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

The Group as a lessee:

	2023	2022
	£'000	£'000
Amounts due:		
Within one year	431	483
Between two to five years	850	1,023
Over five years	59	233
	<u>1,340</u>	<u>1,739</u>

The Company as a lessee:

	2023	2022
	£'000	£'000
Amounts due:		
Within one year	42	137
Between two to five years	50	10
Over five years	-	-
	<u>92</u>	<u>147</u>

At the year end, the Group and Company had contracted with tenants, under non-cancellable operating leases, for the following future minimum lease payments:

The Group and Company as lessor:

	2023	2022
	£'000	£'000
Amounts receivable:		
Less than one year	-	40
Between one and five years	-	-
After five years	-	-
	<u>-</u>	<u>40</u>

The operating lease represents a lease of space to a third party.

31. OTHER FINANCIAL COMMITMENTS

The company has given a guarantee in respect of the overdraft of certain other group companies. The maximum liability is limited to the overdraft position within the group.

NSSLGlobal Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2023

32. RELATED PARTY TRANSACTIONS

During the year the Group entered into the following transactions, with its immediate parent company and associates as follows:

	2023		2023	
	Purchases £'000	Sales £'000	Creditors £'000	Debtors £'000
Parent company	19	23	2	-
Jointly controlled entity	15	697	7	3
			9	3

	2022		2022	
	Purchases £'000	Sales £'000	Payables £'000	Debtors £'000
Parent company	32	-	-	-
Jointly controlled entity	882	-	-	46
	914	-	-	47

Included in the above debtor balances with the jointly controlled entity at 31 December 2023 are loans provided by NSSLGlobal Limited of £12,000 (2022: £12,000).

These amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received in relation to these loans.

The Group and Company have taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and have not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

33. ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

The directors consider the ultimate parent undertaking to be Arendals Fossekompni ASA, a company incorporated in Norway. Arendals Fossekompni ASA is the holding company of the largest and smallest group for which consolidated accounts including NSSLGlobal Limited are prepared. Copies of the accounts of Arendals Fossekompni ASA can be obtained from Arendals Fossekompni ASA, PB280, N-4803 Arendal, Norway.