

Company registration number 12641573 (England and Wales)

AST SPACEMOBILE UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

AST SPACEMOBILE UK LIMITED

COMPANY INFORMATION

Directors	Mr A Avellan Mr S Wisniewski Mr V Raval	(Appointed 1 June 2023)
Company number	12641573	
Registered office	One Bell Lane Lewes East Sussex BN7 1JU	
Auditor	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU	

AST SPACEMOBILE UK LIMITED

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AST SPACEMOBILE UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company is that of the development of a space-based broadband network.

Directors

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

Mr T Severson	(Resigned 28 April 2022)
Mr A Avellan	
Mr S Gibson	(Resigned 1 August 2022)
Mr S Wisniewski	
Mr V Raval	(Appointed 1 June 2023)

Auditor

The auditor, Knill James LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

On behalf of the board

Mr A Avellan
Director

29 September 2023

AST SPACEMOBILE UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

AST SPACEMOBILE UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF AST SPACEMOBILE UK LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

AST SPACEMOBILE UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF AST SPACEMOBILE UK LIMITED

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

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.

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the company operates in and how the company complies 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; and
- 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.

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, Companies Act 2006, the company's governing document, and relevant tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the Directors' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are the compliance with relevant employment law and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area 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 challenging judgments and estimates.

AST SPACEMOBILE UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF AST SPACEMOBILE UK LIMITED

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

Mark Filsell FCA
Senior Statutory Auditor
For and on behalf of Knill James LLP

29 September 2023

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

AST SPACEMOBILE UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	2	2,644,917	1,355,494
Cost of sales		(177,143)	(299,344)
Gross profit		<u>2,467,774</u>	<u>1,056,150</u>
Administrative expenses		(2,227,227)	(932,923)
Operating profit	3	<u>240,547</u>	<u>123,227</u>
Interest payable and similar expenses	5	(101)	-
Profit before taxation		<u>240,446</u>	<u>123,227</u>
Tax on profit	6	(89,578)	(51,681)
Profit for the financial year		<u><u>150,868</u></u>	<u><u>71,546</u></u>

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

AST SPACEMOBILE UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		154,434		9,489
Current assets					
Debtors	8	317,066		200,705	
Cash at bank and in hand		93,757		43,681	
		<u>410,823</u>		<u>244,386</u>	
Creditors: amounts falling due within one year	9	<u>(206,144)</u>		<u>(164,534)</u>	
Net current assets			<u>204,679</u>		<u>79,852</u>
Total assets less current liabilities			<u>359,113</u>		<u>89,341</u>
Creditors: amounts falling due after more than one year	10		<u>(117,817)</u>		-
Provisions for liabilities					
Deferred tax liability	12	<u>2,184</u>	<u>(2,184)</u>	<u>1,097</u>	<u>(1,097)</u>
Net assets			<u><u>239,112</u></u>		<u><u>88,244</u></u>
Capital and reserves					
Called up share capital	15		1		1
Profit and loss reserves			<u>239,111</u>		<u>88,243</u>
Total equity			<u><u>239,112</u></u>		<u><u>88,244</u></u>

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

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

Mr A Avellan
Director

Mr S Wisniewski
Director

Company registration number 12641573 (England and Wales)

AST SPACEMOBILE UK LIMITED

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

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	1	16,697	16,698
Year ended 31 December 2021:			
Profit and total comprehensive income	-	71,546	71,546
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	1	88,243	88,244
Year ended 31 December 2022:			
Profit and total comprehensive income	-	150,868	150,868
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	<u>1</u>	<u>239,111</u>	<u>239,112</u>

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

AST Spacemobile UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is One Bell Lane, Lewes, East Sussex, BN7 1JU.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of AST SpaceMobile, Inc. These consolidated financial statements are available from its registered office, Midland Intl. Air & Space Port, 2901 Enterprise Lane, Midland, Texas 79706, USA.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.5 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:

Leasehold land and buildings	10% straight line
Plant and equipment	25% straight line
Fixtures and fittings	25% straight line
Computers	33% straight line
Right of use asset	Over the life of the lease

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.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.7 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.

1.8 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.

Basic financial assets

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

Classification of financial liabilities

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

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 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.

1.10 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.

1.11 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.

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.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest.

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.14 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.

1.15 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.

2 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Management fees	2,644,917	1,355,494

3 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging:		
Exchange losses	111,051	-
Research and development costs	3,450	69,452
Depreciation of owned tangible fixed assets	14,300	4,699
Depreciation of tangible fixed assets held under finance leases	3,495	-
Share-based payments	224,984	153,089
Operating lease charges	105,645	10,806

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Employees

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

	2022 Number	2021 Number
Engineering	12	5

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,502,760	690,512
Social security costs	161,693	62,276
Pension costs	64,773	41,027
	<u>1,729,226</u>	<u>793,815</u>

5 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	101	-

6 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	88,539	51,763
Adjustments in respect of prior periods	(48)	-
Total current tax	<u>88,491</u>	<u>51,763</u>
Deferred tax		
Origination and reversal of timing differences	<u>1,087</u>	<u>(82)</u>
Total tax charge	<u>89,578</u>	<u>51,681</u>

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Taxation (Continued)

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

	2022 £	2021 £
Profit before taxation	240,446	123,227
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	45,685	23,413
Tax effect of expenses that are not deductible in determining taxable profit	46,094	29,117
Permanent capital allowances in excess of depreciation	(3,240)	(767)
Under/(over) provided in prior years	(48)	-
Deferred taxation	1,087	(82)
Taxation charge for the year	89,578	51,681

7 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Right of use asset	Total
	£	£	£	£	£	£
Cost						
At 1 January 2022	-	5,329	-	10,100	-	15,429
Additions	16,097	-	575	23,543	122,525	162,740
At 31 December 2022	16,097	5,329	575	33,643	122,525	178,169
Depreciation and impairment						
At 1 January 2022	-	1,332	-	4,608	-	5,940
Depreciation charged in the year	1,610	1,332	144	11,214	3,495	17,795
At 31 December 2022	1,610	2,664	144	15,822	3,495	23,735
Carrying amount						
At 31 December 2022	14,487	2,665	431	17,821	119,030	154,434
At 31 December 2021	-	3,997	-	5,492	-	9,489

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Right of use asset	119,030	-

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Debtors		2022	2021
Amounts falling due within one year:		£	£
Amounts owed by group undertakings		204,903	163,501
Other debtors		90,173	29,068
Prepayments and accrued income		21,990	8,136
		<u>317,066</u>	<u>200,705</u>
		<u><u>317,066</u></u>	<u><u>200,705</u></u>
9 Creditors: amounts falling due within one year		2022	2021
	Notes	£	£
Obligations under finance leases	11	6,370	-
Trade creditors		26,368	64,388
Corporation tax		88,539	51,763
Other taxation and social security		13,584	19,564
Other creditors		44,075	18,581
Accruals and deferred income		27,208	10,238
		<u>206,144</u>	<u>164,534</u>
		<u><u>206,144</u></u>	<u><u>164,534</u></u>
10 Creditors: amounts falling due after more than one year		2022	2021
	Notes	£	£
Obligations under finance leases	11	117,817	-
		<u>117,817</u>	<u>-</u>
		<u><u>117,817</u></u>	<u><u>-</u></u>
11 Finance lease obligations		2022	2021
Future minimum lease payments due under finance leases:		£	£
Within one year		6,370	-
In two to five years		43,450	-
In over five years		74,367	-
		<u>124,187</u>	<u>-</u>
		<u><u>124,187</u></u>	<u><u>-</u></u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 9 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	5,229	1,803
Pension	(3,045)	(706)
	<u>2,184</u>	<u>1,097</u>
Movements in the year:		2022 £
Liability at 1 January 2022		1,097
Charge to profit or loss		1,087
		<u>2,184</u>

13 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	64,773	41,027

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

14 Share-based payment transactions

Group share-based payments

During the year ended 31 December 2021, the company granted 12,000 equity share options under the parent company's 2019 Equity Incentive Plan to its employees. The term of the options is 5 years and the remaining contractual life is 3 years.

During the year ended 31 December 2022, the company granted 248,000 equity share options under the parent company's 2020 Equity Incentive Plan to its employees. The term of the options is 5 years and the remaining contractual life is 4 years.

15 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary Shares of £1 each	1	1	1	1

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	-	21,672
Between two and five years	-	86,688
In over five years	-	97,524
	<u>-</u>	<u>205,884</u>
	<u>-</u>	<u>205,884</u>

During the year, the company made the decision to capitalise the operating lease as a right to use asset and therefore the lease commitment is now shown within creditors (see note 11).

17 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Services provided	
	2022	2021
	£	£
Entities with control, joint control or significant influence over the company	2,644,917	1,355,494
	<u>2,644,917</u>	<u>1,355,494</u>

Services provided to entities with control, joint control or significant influence over the company totalling £2,644,917 (2021 - £1,355,494) represent management charges billed to the parent company, AST & Science LLC. The management charges are calculated at 10% on total direct and administrative costs incurred by the company during the period.

During the period, the company received payments totalling £2,603,515 (2021 - £1,191,994) against the management fees billed to the parent company, AST & Science LLC, an entity with control, joint control or significant influence over the company.

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Other related parties	25,847	12,936
	<u>25,847</u>	<u>12,936</u>

Amounts owed to other related parties totalling £25,847 are due to AST & Science Iberia (2021 - £12,936).

AST SPACEMOBILE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2022	2021
Amounts due from related parties	£	£
Entities with control, joint control or significant influence over the company	204,903	163,501
	<u>204,903</u>	<u>163,501</u>

Amounts owed by entities with control, joint control, or significant influence over the company totalling £204,903 (2021 - £163,501) due from AST & Science LLC, who are the parent company.

18 Ultimate controlling party

The parent company of AST Spacemobile UK Limited is AST & Science LLC whose registered office is 2901 Enterprise Lane, Midland, Texas, 79706, United States of America.

The company is controlled by AST & Science LLC, who own 100% of the issued share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.