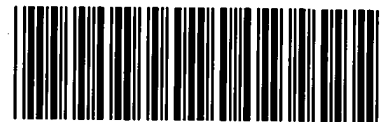


Company Registration No. 09481958 (England and Wales)

SPEEDCAST UK HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

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SPEEDCAST UK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J R Trevelyan D A Ross
Secretary	Vistra Company Secretaries Limited
Company number	09481958
Registered office	First Floor Templeback 10 Temple Back Bristol United Kingdom BS1 6FL
Auditor	RSM UK Audit LLP Chartered Accountants 4th Floor The Capitol 431 Union Street Aberdeen AB11 6DA United Kingdom

SPEEDCAST UK HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present the strategic report for the year ended 31 December 2023.

At the year end, the company's ultimate parent undertaking and controlling party is Speedcast Holdings III LLC ("SCH III").

Fair review of the business

Speedcast UK Holdings Limited's principal activity during the year was that of a holding company. The principal activities of the subsidiaries owned by Speedcast UK Holdings Limited in the year were that of a supplier of managed satellite and terrestrial communications solutions, specifically for remote and harsh environments including the energy and maritime industries in the UK, as well as in the international market.

In 2023, the satellite communications industry was impacted by the increased prominence of Low Earth Orbit (LEO) satellite constellations. Speedcast has adapted to this changing landscape by forging the industry's first partnership with the leading LEO operator (Starlink), closing 2023 as Starlink's leading partner and maintaining this position in 2024. At the end of 2023 we also struck the leading partnership agreement with the second LEO operator (OneWeb) which is now being operationalised. These partnerships ensure Speedcast continues to offer its customers a strong portfolio of integrated communications solutions across satellite, mobile and terrestrial connectivity.

In 2023, Speedcast also embarked on a Digital Transformation program with a focus on new product and service development via our SIGMA intelligent network management solution which is designed for scalability and modular architecture and enables customers to adapt quickly to changing needs of their business. These strategies have allowed Speedcast to maintain and optimise its core business within the Energy and Maritime sectors whilst creating a platform for future growth.

During the year, the group commenced a restructuring exercise whereby a number of subsidiaries were transferred out of the UK group. See note 15 for further information. This exercise continued post year end.

Principal risks and uncertainties

The group continued to experience challenging market conditions during the year due to the volatility of the oil and gas market. The participation in this market is often subject to uncertain economic conditions, along with the risk of fluctuating exchange rates and spending in the oil sector. This makes it difficult to estimate growth and, as a result, future income and expenditures. These risks are not new but are managed via excellent relationships between the group and its long standing and loyal customer base which has evolved through high levels of customer care and a generous after sales support service. We cannot predict the consequences of future geopolitical events, but they may adversely affect the markets in which we operate, our ability to insure against risks, our operations or our profitability.

Financial instrument risks

The group has established a risk and financial management framework whose primary objectives are to protect the group from events that hinder the achievement of the group's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk as a business unit level.

Liquidity risk

The group retains sufficient cash resources to ensure it has funds available to meet its day to day requirements. In addition, the ultimate parent company has issued a letter of support assuring that the Parent will provide financial support to the group to settle its liabilities as they fall due. See the Going Concern disclosure within note 1 to these financial statements for further details.

Interest rate risk

The directors do not consider the group to have any exposure to the risk of fluctuating interest rates that would necessitate the hedging of interest rates.

SPEEDCAST UK HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Principal risks and uncertainties (continued)

Currency risk

A substantial proportion of the group's turnover is derived from overseas sales, and as such the group has currency exposures on transactions which arise from sales and purchases in currencies other than its functional currency as well as the currency risk associated with intra group loans. Potential exposures to foreign currency exchange rate movements are monitored through cash flow forecasts and monthly currency exposure reporting in all currencies in which the group trades. These are reviewed monthly by senior management and the Board and appropriate actions are taken to manage net open foreign currency positions.

Credit risk

There is a risk of financial loss to the group arising from the failure of the group's customers to meet their financial obligations for the services provided by the group. The group manages this situation through credit control procedures, which are closely monitored by specialist staff and management, but nevertheless, we are subject to customer credit risk. The Board are of the view that the risk is at an acceptable level.

Key performance indicators

The Board of Directors regularly review a suite of financial Key Performance Indicators (KPIs) to ensure that the performance of the group is in line with the group's strategic objectives. These include:

Financial KPIs	Year ended	Year ended	Change	
	31 December 2023	31 December 2022	\$'000s	%
Turnover	73,818	70,689	3,129	4.43%
Operating profit/(loss)	836	(5,149)	5,985	116.24%
Profit/(loss) before tax	(8,021)	(6,232)	(1,789)	(28.71)%

The loss before tax in 2023 includes a charge of \$5.0m (2022 - \$6.7m) for the Network Access Fee recharge and a loss on the disposal of subsidiaries of \$7.2m (see note 15).

Going concern basis

The group is a part of the wider Speedcast Holdings III LLC group and relies on its parent's, (Speedcast Holdings III LLC - "the Group"), shared service centre and back office support for accounts payable, treasury, working capital management and other functions in Aberdeen, UK, Houston, USA and Kuala Lumpur, Malaysia. The group also provides services to, and relies on services it receives from other entities within the Group. Without these activities and services, the group may not be able to continue operating.

When assessing the going concern assumption, the directors and management have considered the group's and company's working capital and funding requirements in 2024 and 2025. In addition, Speedcast Holdings III LLC, the ultimate parent company, has provided a letter of support confirming it will continue to support the Company by providing adequate strategic, operational and financial assistance to enable the Company to continue its business operations as a going concern for the foreseeable future, and for a period of at least 12 months from the date of signing of these financial statements. Speedcast Holdings III LLC also confirmed it will not recall or demand any repayment of any other loans or advances due to it by the Company as at 31 December 2023, except that insofar as the funds of the Company permits repayment and that such repayment will not adversely affect the ability of the Company to carry on their business operations as a going concern.

Based on the above, the Directors consider it appropriate to prepared the financial statements on a going concern basis.

SPEEDCAST UK HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Section 172 statement

The directors consider, both individually and collectively, that in the decisions taken during the financial year they have satisfied the requirements of section 172 of the Companies Act 2006 ("s172") in performing their duties, to promote the success of the group and company for the benefit of its members, as a whole, and in doing so having regard to the stakeholders and matters outlined in that section which will have an impact on the long-term success of the group.

The directors recognise that they have an important role in assessing and monitoring that the desired culture is embedded in the values, attitudes and behaviours that the group demonstrates, including our activities and stakeholder relationships.

When making decisions, each director ensures that they consider, in good faith, what would most likely promote the group's success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

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

On behalf of the board

David Ross

.....
D Ross
Director

Date: 20/08/24.....

SPEEDCAST UK HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and audited consolidated financial statements for the year ended 31 December 2023.

Branches

During the year, the group operated branches in the U.A.E., Turkmenistan, Kazakhstan, Ghana and Portugal. These branches provide telecommunications systems and services in their respective regions.

Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid (2022: \$nil). The directors did not recommend a dividend payment during the year.

Directors

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

D Ross
J R Trevelyan

Qualifying third party indemnity provisions

During the financial year, and up to the date of approval of the financial statements, the company had in place a third party indemnity provision for the benefit of all the directors of the Company, subject to the conditions set out in Section 234 of the Companies Act 2006.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group is an equal opportunities employer and applies objective criteria to assess merit. It aims to ensure that no job applicant or employee receives less favourable treatment on the grounds of race, colour, national or ethnic origins, sex, marital status, sexual preferences, disability, membership or non membership of a trade union, "spent convictions" of ex-offenders, class, age, political or religious belief.

The group operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the financial year, the policy of disseminating information has continued, thus providing a free flow of information and ideas, and keeps employees informed of the group's financial and operational matters that affect them. The group also has a recruitment programme that rewards employees for introductions of new hires.

The group has a strong ethos of career development and training. The group runs an online training and learning facility covering a multitude of business-related topics.

Post reporting date events

Post year end the group restructuring continued and on 1 January 2024 the company disposed of its shareholdings in Caprock UK Limited and Hermes Datacommunications Limited for a consideration of \$5,287,000 and \$3,716,000 respectively, by way of promissory note from its ultimate parent undertaking Speedcast Holdings III LLC. In addition, on 8 July 2024 the company disposed of its minority shareholding in In Aria! Limited for a consideration of \$721,000, by way of promissory note from its ultimate parent undertaking Speedcast Holdings III LLC.

SPEEDCAST UK HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Future developments

The group continues to look for opportunities to win new business in a number of key developing markets around the world, with existing and new customers. A number of markets in which the group operates are potentially unstable due to circumstances beyond our control, we aim to mitigate these risks as much as possible through advance planning and flexibility to enable us to react to changing circumstances as they arise.

Auditor

RSM UK Audit LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon reporting

The company and its subsidiaries recognise the importance of protecting the environment. Speedcast are acutely aware of the need to minimise damage where possible and at present, considers the trading and related activities of the company to pose no risk to the external environment.

		2023		2022
<i>Energy consumption</i>	kWh	kWh	kWh	kWh
Aggregate of energy consumption in the year				
- Gas combustion	585,620		747,239	
- Fuel consumed for transport	2,624,373		4,533,008	
- Electricity purchased	144,683		184,842	
		<u>3,354,676</u>		<u>5,465,089</u>
<i>Emissions of CO2 equivalent</i>				
	Metric tonnes	Metric tonnes	Metric tonnes	Metric tonnes
Scope 1 - direct emissions				
- Gas combustion	137.00		175.00	
- Fuel consumed for owned transport	21.00		36.00	
		<u>158.00</u>		<u>211.00</u>
Scope 2 - indirect emissions				
- Electricity purchased		590.00		753.00
Scope 3 - other indirect emissions				
- Fuel consumed for transport not owned by the company		-		-
		<u>748.00</u>		<u>964.00</u>
<i>Intensity ratio</i>				
Gross tCO2e per £million turnover		<u>10.10</u>		<u>13.60</u>

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Group Reporting.

Energy consumption and emissions of CO2 equivalent for year ended 31 December 2023 are actual numbers. Industry averages and extrapolation have been used to derive estimates for year ended 31 December 2022 comparative numbers.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £million turnover, the recommended ratio for the sector.

SPEEDCAST UK HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Measures taken to improve energy efficiency

The company and its subsidiaries recognise the importance of protecting the environment. Speedcast are acutely aware of the need to minimise damage where possible and at present, considers the trading and related activities of the company to pose no risk to the external environment.

We have taken the following measures to improve energy efficiency:

- Reduction in office locations and teleports in Aberdeen to decrease energy consumption, transportation emissions and overall resource usage;
- Replaced 128 Florescent lights with more efficient LEDS in Aberdeen office;
- Replaced an old de-ice systems in the Aberdeen Teleport with a new more efficient type;
- As an approach to flexible working, the majority of the staff started working from home.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of its principal activities, a fair review of the business, its principal risks, financial instruments, and going concern basis.

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, each director has taken all the necessary steps that they ought to have taken as a director 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

David Ross

.....
D Ross
Director

Date: 20/08/24

SPEEDCAST UK HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are responsible for preparing the Strategic Report and the Directors' 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 group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPEEDCAST UK HOLDINGS LIMITED

Opinion

We have audited the financial statements of Speedcast UK Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the 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 loss 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 our audit:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPEEDCAST UK HOLDINGS 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 7, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPEEDCAST UK HOLDINGS LIMITED (CONTINUED)

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 frameworks that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory frameworks;
- 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.

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, inspecting correspondence with local tax authorities and evaluating advice received from internal tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety, employment law and telecom regulations. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and recognition of revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed in relation to management override of controls included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. Audit procedures performed in relation to recognition of revenue included by were not limited to, testing revenue transactions during the year and around year end using a combination of substantive testing and data analytics to map all transactions within the revenue cycle, with testing performed on outlier transactions.

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.

Grant Morrison

Grant Morrison CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
4th Floor
The Capitol
431 Union Street
Aberdeen
AB11 6DA
United Kingdom

23/09/24.....

SPEEDCAST UK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 \$'000	2022 \$'000
Turnover		73,818	70,689
Cost of sales		(34,056)	(27,563)
Gross profit		39,762	43,126
Administrative expenses		(38,926)	(48,275)
Operating profit/(loss)	6	836	(5,149)
Interest receivable and similar income	8	1,679	303
Interest payable and similar expenses	9	(3,337)	(1,386)
Other gains and losses	10	(7,199)	-
Loss before taxation		(8,021)	(6,232)
Tax on loss	11	(205)	(560)
Loss for the financial year		(8,226)	(6,792)
Other comprehensive expense net of taxation			
Currency translation differences		(1,948)	2,257
Disposal of non-controlling interest		(3,276)	-
Total comprehensive expense for the year		(13,450)	(4,535)
Total comprehensive expense for the year is attributable to:			
- Owners of the parent company		(11,693)	(4,610)
- Non-controlling interests		(1,757)	75
		(13,450)	(4,535)

Non-controlling interests represent the share of profits or losses attributable to non-group shareholders of a number of subsidiaries.

SPEEDCAST UK HOLDINGS LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Notes	2023 \$'000	\$'000	2022 \$'000	\$'000
Fixed assets					
Intangible assets	12		1		28
Tangible assets	13		9,230		13,006
			<u>9,231</u>		<u>13,034</u>
Current assets					
Stocks	16	2,572		4,062	
Debtors	17	149,088		128,856	
Cash at bank and in hand		2,171		6,161	
		<u>153,831</u>		<u>139,079</u>	
Creditors: amounts falling due within one year	18	<u>(231,833)</u>		<u>(190,887)</u>	
Net current liabilities			<u>(78,002)</u>		<u>(51,808)</u>
Total assets less current liabilities			<u>(68,771)</u>		<u>(38,774)</u>
Creditors: amounts falling due after more than one year	19		<u>(24,678)</u>		<u>(41,225)</u>
Net liabilities			<u>(93,449)</u>		<u>(79,999)</u>
Capital and reserves					
Called up share capital	22		13,974		13,974
Capital contribution reserve			138,096		138,096
Profit and loss reserves			<u>(246,688)</u>		<u>(234,995)</u>
Equity attributable to owners of the parent company			<u>(94,618)</u>		<u>(82,925)</u>
Non-controlling interests			<u>1,169</u>		<u>2,926</u>
			<u>(93,449)</u>		<u>(79,999)</u>

The financial statements were approved by the board of directors and authorised for issue on 20/08/24 and are signed on its behalf by:

David Ross

.....
D A Ross
Director

SPEEDCAST UK HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

	Notes	2023 \$'000	\$'000	2022 \$'000	\$'000
Fixed assets					
Investments	14		-		-
Current assets					
Debtors	17	4,908		36	
Creditors: amounts falling due within one year	18	(54,088)		(53,711)	
Net current liabilities			(49,180)		(53,675)
Creditors: amounts falling due after more than one year	19		(5,260)		(2,559)
Net liabilities			(54,440)		(56,234)
Capital and reserves					
Called up share capital	22		13,974		13,974
Capital contribution reserve			138,096		138,096
Profit and loss reserves			(206,510)		(208,304)
Total equity			(54,440)		(56,234)

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group financial statements. The company's profit for the year was \$1,794,000 (2022 - \$2,811,000 loss).

The financial statements were approved by the board of directors and authorised for issue on 20/08/24 and are signed on its behalf by:

David Ross

.....
D A Ross
Director

SPEEDCAST UK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Called up share capital \$'000	Capital contribution reserve \$'000	Profit and loss reserves \$'000	Total controlling interest \$'000	Non- controlling interest \$'000	Total \$'000
Balance at 1 January 2022	13,974	138,096	(230,385)	(78,315)	2,851	(75,464)
Year ended 31 December 2022:						
Loss for the year	-	-	(6,867)	(6,867)	75	(6,792)
Other comprehensive income net of taxation:						
Currency translation differences	-	-	2,257	2,257	-	2,257
Total comprehensive (expense)/ income for the year	-	-	(4,610)	(4,610)	75	(4,535)
Balance at 31 December 2022	13,974	138,096	(234,995)	(82,925)	2,926	(79,999)
Year ended 31 December 2023:						
(Loss)/profit for the year	-	-	(9,745)	(9,745)	1,519	(8,226)
Other comprehensive expense net of taxation:						
Currency translation differences	-	-	(1,948)	(1,948)	-	(1,948)
Disposal of non-controlling interest	-	-	-	-	(3,276)	(3,276)
Total comprehensive expense for the year	-	-	(11,693)	(11,693)	(1,757)	(13,450)
Balance at 31 December 2023	13,974	138,096	(246,688)	(94,618)	1,169	(93,449)

SPEEDCAST UK HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital \$'000	contribution reserve \$'000	Profit and loss reserves \$'000	Total \$'000
Balance at 1 January 2022	13,974	138,096	(205,493)	(53,423)
Year ended 31 December 2022:				
Loss and total comprehensive expense for the year	-	-	(2,811)	(2,811)
Balance at 31 December 2022	13,974	138,096	(208,304)	(56,234)
Year ended 31 December 2023:				
Profit and total comprehensive income for the year	-	-	1,794	1,794
Balance at 31 December 2023	13,974	138,096	(206,510)	(54,440)

SPEEDCAST UK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		3,720		(7,572)
Income taxes paid			(230)		(679)
Net cash inflow/(outflow) from operating activities			3,490		(8,251)
Investing activities					
Cash outflow on disposal of subsidiaries	15	(2,234)		-	
Purchase of tangible fixed assets		(6,745)		(7,306)	
Proceeds on disposal of tangible fixed assets		1,572		321	
Net cash used in investing activities			(7,407)		(6,985)
Net decrease in cash and cash equivalents			(3,917)		(15,236)
Cash and cash equivalents at beginning of year			6,161		21,142
Effect of foreign exchange rates			(73)		255
Cash and cash equivalents at end of year			2,171		6,161

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

Speedcast UK Holdings Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is First Floor, Templeback, 10 Temple Back, Bristol, United Kingdom, BS1 6FL.

The group consists of Speedcast UK Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic Report.

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

The financial statements are presented in US dollars as the Group's functional and presentational currency. Monetary amounts in these financial statements are rounded to the nearest \$'000.

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

Reduced disclosures

The stand alone company is a qualifying entity for the purposes of FRS 102, being a member of Speedcast UK Holdings Limited (Group), where the group prepares consolidated financial statements, including its stand alone accounts, 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 the following exemption from the disclosure requirements for parent company information presented within the consolidated financial statements:

- 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.

Basis of consolidation

The consolidated financial statements incorporate those of Speedcast UK Holdings 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. 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.

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.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

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 costs directly attributable to the business combination. 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.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous years are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill.

Going concern

The group is a part of the wider Speedcast Holdings III LLC group and relies on its parent's, (Speedcast Holdings III LLC - "the Group"), shared service centre and back office support for accounts payable, treasury, working capital management and other functions in Aberdeen, UK, Houston, USA and Kuala Lumpur, Malaysia. The group also provides services to, and relies on services it receives from other entities within the Group. Without these activities and services, the group may not be able to continue operating.

When assessing the going concern assumption, the directors and management have considered the group's and company's working capital and funding requirements in 2024 and early 2025. In addition, Speedcast Holdings III LLC, the ultimate parent company, has provided a letter of support confirming it will continue to support the Company by providing adequate strategic, operational and financial assistance to enable the Company to continue its business operations as a going concern for the foreseeable future, and for a period of at least 12 months from the date of signing of these financial statements. Speedcast Holdings III LLC also confirmed it will not recall or demand any repayment of any other loans or advances due to it by the Company as at 31 December 2023, except that insofar as the funds of the Company permits repayment and that such repayment will not adversely affect the ability of the Company to carry on their business operations as a going concern.

Based on the above, the Directors consider it appropriate to prepared the financial statements on a going concern basis.

Adjustments to corresponding amounts

The company has reconsidered the presentation of certain costs that have previously been shown within administrative expenses in the statement of comprehensive income. The costs, which in the prior year amounted to \$6,739,000 have been reallocated to cost of sales in the statement of comprehensive income, and thus there is no impact on the prior year loss before taxation.

Turnover

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

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Turnover from a contract to provide services is recognised in the financial year in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting financial year can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Intangible assets other than goodwill

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

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

Amortisation is recognised so as to write off the cost of assets over their useful lives on a straight line basis. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed seven years. The estimated useful lives ranges are as follows:

Software	1-7 years
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Tangible assets

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

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight line method, on the following bases:

Freehold buildings	45 years
Plant and equipment	5 years
Fixtures and fittings	3-10 years

Construction in progress assets are not depreciated.

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.

Investments

In the separate financial statements of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis and comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

Financial instruments

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

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 trade debtors, amounts owed by group undertakings and other 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

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

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade creditors and amounts owed to group undertakings and other creditors, 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.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs.

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 and deferred tax is charged or credited to 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 the net basis or to realise the asset and settle the liability simultaneously.

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.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the year 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 years 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.

Retirement benefits

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

Provision for employees' end of service benefits

End of service benefit is based on employees' compensation and accumulated period of service and is payable upon termination, resignation or retirement. The present value of this obligation is determined using the projected unit credit method, in respect of employees' end of service benefits payable under UAE Labour Law and in accordance with the provision of FRS 102 paragraph 28.18. Under this method, an assessment has been made of an employee's expected service life with the group and his expected base salary at the date of leaving the service. The expected liability at the date of leaving the service has been discounted to its net present value using an appropriate discount rate. The provision relating to employees' end of service benefits is disclosed as a non-current liability.

Foreign exchange

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Assets and liabilities 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.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

Operating leases - the group as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Research and development expenditure

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 1 to 7 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Judgements and key sources of estimation uncertainty

Judgements in applying accounting policies and key sources of estimation uncertainty

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in these financial statements.

Critical judgements

The directors do not consider that there are any critical judgements (apart from those involving estimates) that will have a significant effect on amounts recognised in the financial statements.

Key sources of estimation uncertainty

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

Impairment of tangible assets

The group considers whether tangible assets are impaired on an annual basis. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the future cash flows from the use of the asset or its cash generating unit and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

See note 13 for the carrying amount of the tangible assets, and note 1 for the useful economic lives for each class of asset.

Bad debt provision

In determining whether any provision for trade debtors is required management must consider the ability of their customers to pay amounts falling due. The group has a provisioning policy which takes into account a number of factors including, but not limited to, the expected ability of customers to make payment and the payment history of customers. At 31 December 2023 there is a provision held for outstanding trade debtor balances of \$1,104,000 (2022 - \$3,268,000).

Stock provision

In determining whether any provision for slow moving or obsolete stock is required management must consider and make judgements on the extent to which stock can be utilised by the group. The group have a provisioning policy which takes into account a number of factors including, but not limited to, the condition, age of stock and stock levels required for known and expected future orders.

See note 16 for stock provisions in the year.

Impairment of intercompany receivables

The Company makes an estimate of the recoverable value of the amounts owed by group undertakings. When assessing the impairment of group undertakings management considers factors including the ageing profile of debtors and historical experience.

See notes 17 for the carrying amount owed by group undertakings.

3 Turnover

An analysis of turnover, by class of business and geographical analysis, has not been given as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the group.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

4 Employees

The average monthly number of persons employed during the year was:

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Engineering	140	175	-	-
Sales	20	22	-	-
Administration	66	64	-	-
	<u>226</u>	<u>261</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2023 \$'000	2022 \$'000	Company 2023 \$'000	2022 \$'000
Wages and salaries	20,002	21,601	3	-
Social security costs	2,672	2,912	-	-
Other pension costs	788	802	-	-
	<u>23,462</u>	<u>25,315</u>	<u>3</u>	<u>-</u>

5 Directors' remuneration

	2023 \$'000	2022 \$'000
Remuneration for qualifying services	548	522
Company pension contributions to defined contribution schemes	24	21
	<u>572</u>	<u>543</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 \$'000	2022 \$'000
Remuneration for qualifying services	376	356
Company pension contributions to defined contribution schemes	16	14
	<u>392</u>	<u>370</u>

During the year retirement benefits were accruing to 2 directors (2022: 2) in respect of defined contribution pension.

The directors are considered to be the key management personnel of the group, and their remuneration is as stated above.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6	Operating profit/(loss)	2023	2022
		\$'000	\$'000
	Operating profit/(loss) for the year is stated after (crediting)/charging:		
	Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(1,201)	(804)
	Depreciation of owned tangible fixed assets	4,152	5,286
	Amortisation of intangible assets	21	99
	Impairment of stock	111	612
	Impairment of amounts owed by group undertakings	660	4,795
	Operating lease charges	737	1,256
		<u> </u>	<u> </u>
7	Auditors' remuneration	2023	2022
		\$'000	\$'000
	Fees payable to the company's auditors and associates:		
	For audit services		
	Audit of the financial statements of the group and company	73	168
	Audit of the financial statements of the company's subsidiaries	167	352
		<u> </u>	<u> </u>
		240	520
		<u> </u>	<u> </u>
		2023	2022
		\$'000	\$'000
	For other services		
	All other non-audit services	48	9
		<u> </u>	<u> </u>
8	Interest receivable and similar income	2023	2022
		\$'000	\$'000
	Interest on bank deposits	6	14
	Interest receivable from group companies	1,673	289
		<u> </u>	<u> </u>
	Total income	1,679	303
		<u> </u>	<u> </u>
	Interest receivable from group companies is accrued and added to the principal amount.		
9	Interest payable and similar expenses	2023	2022
		\$'000	\$'000
	Interest on bank overdrafts and loans	8	8
	Interest payable to group undertakings	3,329	1,378
		<u> </u>	<u> </u>
	Total finance costs	3,337	1,386
		<u> </u>	<u> </u>
	Interest payable to group undertakings is accrued and added to the principal amount.		

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

10 Other gains and losses

	2023 \$'000	2022 \$'000
Loss on disposal of subsidiaries	(7,199)	-

During the year the group disposed of its holdings in several of its subsidiaries as part of a group restructuring exercise. See note 15 for further details.

11 Taxation

	2023 \$'000	2022 \$'000
Current tax		
UK corporation tax on profits for the current period	-	15
Adjustments in foreign tax in respect of prior periods	52	-
Total current tax	52	15
Deferred tax		
Origination and reversal of timing differences	-	46
Derecognition of deferred tax asset previously recognised	-	499
Adjustment in respect of prior periods	153	-
Total deferred tax	153	545
Total tax charge	205	560

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Taxation (Continued)

Total tax charge for the year included in the income statement can be reconciled to the loss before taxation multiplied by the standard rate of tax as follows:

	2023	2022
	\$'000	\$'000
Loss before taxation	(8,021)	(6,232)
Expected tax credit based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	(1,887)	(1,184)
Tax effect of expenses that are not deductible in determining taxable profit	1,789	1,047
Tax effect of income not taxable in determining taxable profit	(769)	174
Adjustments in respect of prior years	52	-
Deferred tax adjustments in respect of prior years	153	-
Deferred tax not recognised in the current year	864	1,113
Difference in overseas tax rate	(4)	210
Remeasurement of deferred tax for changes in tax rates	(41)	(336)
Fixed asset differences	48	(268)
Tax losses utilised	-	(695)
Derecognition of deferred tax asset previously recognised	-	499
Taxation charge	<u>205</u>	<u>560</u>

The main corporation tax rate increased from 19% to 25% with effect from 1 April 2023.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

12 Intangible fixed assets

Group	Goodwill	Software	Total
	\$'000	\$'000	\$'000
Cost			
At 1 January 2023	150	4,239	4,389
Disposals	(151)	-	(151)
Assets transferred on disposal of subsidiaries	-	(113)	(113)
Exchange adjustments	1	315	316
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	-	4,441	4,441
	<u> </u>	<u> </u>	<u> </u>
Accumulated amortisation			
At 1 January 2023	150	4,211	4,361
Amortisation charged for the year	-	21	21
Disposals	(151)	-	(151)
Assets transferred on disposal of subsidiaries	-	(113)	(113)
Exchange adjustments	1	321	322
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2023	-	4,440	4,440
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 December 2023	-	1	1
	<u> </u>	<u> </u>	<u> </u>
At 31 December 2022	-	28	28
	<u> </u>	<u> </u>	<u> </u>

The company had no intangible fixed assets at 31 December 2023 or 31 December 2022.

Amortisation of intangible assets is recognised in administrative expenses.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Tangible assets

Group	Freehold buildings \$'000	Plant and equipment \$'000	Fixtures and fittings \$'000	Construction in progress \$'000	Total \$'000
Cost					
At 1 January 2023	2,922	63,636	3,302	446	70,306
Additions	300	5,125	104	1,216	6,745
Disposals	(70)	(918)	-	(1,101)	(2,089)
Reclassifications	6	611	(600)	(1)	16
Assets transferred on disposal of subsidiaries	(380)	(24,733)	(1,560)	(284)	(26,957)
Exchange adjustments	115	1,964	68	(26)	2,121
At 31 December 2023	2,893	45,685	1,314	250	50,142
Accumulated depreciation					
At 1 January 2023	1,688	52,523	3,089	-	57,300
Depreciation charged in the year	159	3,929	64	-	4,152
Eliminated in respect of disposals	-	(517)	-	-	(517)
Reclassifications	3	615	(615)	-	3
Assets transferred on disposal of subsidiaries	(210)	(20,056)	(1,485)	-	(21,751)
Exchange adjustments	57	1,559	109	-	1,725
At 31 December 2023	1,697	38,053	1,162	-	40,912
Carrying amount					
At 31 December 2023	1,196	7,632	152	250	9,230
At 31 December 2022	1,234	11,113	213	446	13,006

The company had no tangible fixed assets at 31 December 2023 or 31 December 2022.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Subsidiaries & other investments

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
CapRock UK Limited	Caprock Building, Denmore Road Of Don, Aberdeen, AB23 8JW	Telecommunications systems and services	Ordinary	100.00	-
Speedcast Ghana Alpha Ltd	Ghana	Telecommunications systems and services	Ordinary	100.00	-
Speedcast Algeria EURL (formerly known as Speedcast Algeria SARL)	27, rue des Oliviers (akachemin des Crêtes). 16035Hydra - Algeria	Telecommunications systems and services	Ordinary	-	100.00
Hilal al-Furat for General Trading Co Ltd	211/19 AmmanNeighbourhood, Basra, Iraq	Telecommunications systems and services	Ordinary	-	100.00
Hermes Datacommunications International Limited	Suite 1, 3rd Floor 11-12 St., James Square, London, SW1Y 4LB	Telecommunications systems and services	Ordinary	100.00	-
Speedcast Ghana Ltd	HNO. 6 Airport, Airport Road, ACCRA Metropolitan, GreaterACCRA, Ghana	Telecommunications systems and services	Ordinary	-	90.00
LLP Hermes Datacomms	1 Martebe street, Nur- Alatauregion, Almaty 050000, Kazakhstan	Telecommunications systems and services	Ordinary	-	49.00
Hermesat LLC	18/3, Dolgorukovskaya str., Moscow, 127006, Russia	Telecommunications systems and services	Ordinary	-	100.00
Speedcast Myanmar Company Limited	Level 6, Suite 611, HledanCentre, Pyay Road, Kamayut Township, Yangon	Telecommunications systems and services	Ordinary	-	100.00
Speedcast Communications Ltd	Villa no. 356, Italian CityCompound, 100M Street, Erbil, Kurdistan	Telecommunications systems and services	Ordinary	-	88.00
Hermes Communications Libya	Fashloun Region, near to Fashloun Island	Telecommunications systems and services	Ordinary	-	65.00

The Speedcast UK Holdings group has assessed, using judgement, that it does control all the entities listed above and as such all should be accounted for as subsidiary undertakings, and be consolidated as such in these financial statements.

The subsidiary company CapRock UK Limited is exempt from audit under section 479A of the Companies Act 2006.

All investments in relation to the above subsidiaries have been impaired in a prior year leaving a fixed asset balance of £nil at the year end.

Details of other investments at 31 December 2023 are as follows:

In Aria! Limited - the company holds a 18% shareholding of the ordinary shares of this company. The group has assessed that it does not control this entity and as such is not consolidated into these financial statements. The investment in this company has been impaired in a prior year leaving a fixed asset balance of £nil at the year end.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Disposals

During the year the group disposed of its holding in the following subsidiaries, Speedcast Communication (Egypt) LLC, Speedcast France SAS, Speedcast Norway AS and Speedcast Energy Sdn Bhd, for consideration of \$5,669k through a group restructure. There was no cash transferred on disposal instead promissory notes were issued by the ultimate parent undertaking, Speedcast Holdings III LLC.

Net assets disposed of	\$'000
Cash and cash equivalents	2,234
Tangible assets	5,206
Debtors	62,324
Stock	687
Creditors	(54,307)
	<u>16,144</u>
Disposal of non-controlling interest	(3,276)
Loss on disposal	(7,199)
Total consideration	<u>5,669</u>
The consideration was satisfied by:	\$'000
Promissory notes	<u>5,669</u>

16 Stocks

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Raw materials and consumables	1,013	1,378	-	-
Work in progress	1,559	2,684	-	-
	<u>2,572</u>	<u>4,062</u>	<u>-</u>	<u>-</u>

There is no significant difference between the replacement costs of raw materials and consumables and their carrying value.

During the year, an impairment loss of \$111,000 (2022: \$612,000) was recognised in administrative expenses, and a movement in the obsolescence provision of \$222,000 (2022: \$147,000) was included within administrative expenses.

Raw materials and consumables are stated after provision for obsolescence of \$1,200,000 (2022: \$1,127,000).

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

17 Debtors

	Group		Company	
	2023	2022	2023	2022
Amounts falling due within one year:	\$'000	\$'000	\$'000	\$'000
Trade debtors	7,600	10,276	3	34
Corporation tax recoverable	-	1,230	-	-
Amounts owed by group undertakings	138,626	107,052	4,905	-
Other debtors	666	399	-	2
Prepayments and accrued income	1,999	3,034	-	-
	<u>148,891</u>	<u>121,991</u>	<u>4,908</u>	<u>36</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	6,127	-	-
Deferred tax asset (note 20)	197	738	-	-
	<u>197</u>	<u>6,865</u>	<u>-</u>	<u>-</u>
Total debtors	<u>149,088</u>	<u>128,856</u>	<u>4,908</u>	<u>36</u>

All debtor amounts owed by group undertakings are unsecured and repayable on demand.

Amounts owed by group undertakings of \$138,626,000 (2022: \$107,052,000) relates to group companies which are out with the group reported in these financial statements. In the current year, this amount includes \$5,669,000 in relation to promissory notes issued on the disposal of Speedcast Communication (Egypt) LLC, Speedcast France SAS, Speedcast Norway AS and Speedcast Energy Sdn Bhd, see note 15. The maturity dates of the promissory notes are during 2024 and interest accrues at a rate of 5% per annum. Such interest shall accrue on a daily basis and is payable immediately on demand.

18 Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Trade creditors	937	2,586	-	-
Amounts owed to group undertakings	228,267	180,236	53,889	53,537
Corporation tax payable	-	157	-	-
Accruals and deferred income	2,629	7,908	199	174
	<u>231,833</u>	<u>190,887</u>	<u>54,088</u>	<u>53,711</u>

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Creditors: amounts falling due within one year (Continued)

All intercompany loans and creditor amounts owed to group undertakings falling due within one year are unsecured and repayable on demand. The interest rates charged on these amounts vary from 4.77% to 6.14% per annum.

Amounts owed to group undertakings of \$228,267,000 (2022: \$180,236,000) relates to group companies which are out with the group reported in these financial statements.

19 Creditors: amounts falling due after more than one year

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Amounts owed to group undertakings	24,190	40,561	5,260	2,559
Other creditors	488	664	-	-
	<u>24,678</u>	<u>41,225</u>	<u>5,260</u>	<u>2,559</u>

All intercompany loans and creditor amounts owed to group undertakings falling due after more than one year are unsecured. The interest rates charged on these amounts vary from 4.77% to 6.14% per annum.

Amounts owed to group undertakings of \$24,190,000 (2022: \$40,561,000) relates to group companies which are out with the group reported in these financial statements.

20 Deferred taxation

The major deferred tax assets recognised by the group are:

	Assets	Assets
	2023	2022
Group	\$'000	\$'000
Accelerated capital allowances	107	582
Short-term timing differences	90	156
	<u>197</u>	<u>738</u>

The company has no deferred tax assets or liabilities.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

20 Deferred taxation (Continued)

	Group 2023 \$'000	Company 2023 \$'000
Movements in the year:		
Asset at 1 January 2023	(738)	-
Charge to profit or loss	153	-
Transfer on disposal	385	-
Exchange difference	3	-
	<u> </u>	<u> </u>
Asset at 31 December 2023	<u>(197)</u>	<u>-</u>

The deferred tax assets set out above are not expected to reverse within 12 months and relate to decelerated capital allowances and the effect of short-term timing differences.

There is unrecognised deferred tax at 31 December 2023 of \$50,815,000 (2022 - \$63,090,000) in the Group and \$158,000 (2022 - \$720,000) in the Company.

21 Retirement benefit schemes

	2023 \$'000	2022 \$'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	788	802
	<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The pension liability at 31 December 2023 was \$250,000 (2022: \$93,000).

22 Called up share capital

	Group and Company			
	2023 Number	2022 Number	2023 \$'000	2022 \$'000
Ordinary share capital issued and fully paid				
Ordinary shares of £1 (\$1.3319) each	10,492,001	10,492,001	13,974	13,974
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The company has one class of ordinary shares which have full voting, dividend and capital redemption rights.

23 Reserves

Capital contribution reserve

The capital contribution reserve represents contributions received by shareholders that have been recognised directly in equity.

Profit and loss account

The profit and loss account represents the cumulative profits, losses and distribution of the Group and Company.

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Cash generated from/(absorbed by) group operations

	2023 \$'000	2022 \$'000
Loss for the year after tax	(8,226)	(6,792)
Adjustments for:		
Taxation charged	205	560
Finance costs	3,337	1,386
Investment income	(1,679)	(303)
Amortisation and impairment of intangible assets	21	99
Depreciation and impairment of tangible fixed assets	4,152	5,286
Foreign exchange (losses)/gains	(2,278)	1,191
Other gains and losses	7,199	-
Movements in working capital:		
Decrease in stocks	803	848
Increase in debtors	(77,019)	(57,610)
Increase in creditors	77,205	47,763
Cash generated from/(absorbed by) operations	<u>3,720</u>	<u>(7,572)</u>

25 Analysis of changes in net funds - group

	1 January 2023 \$'000	Cash flows \$'000	Exchange rate movements \$'000	31 December 2023 \$'000
Cash at bank and in hand	6,161	(3,917)	(73)	2,171

26 Financial commitments, guarantees and contingent liabilities

Alter Domus (US) LLC, Collateral Agent acting on behalf of a third-party lender, hold security in the form of an equity pledge over 100% of Speedcast UK Holdings Limited issued shares, in the event of default on a liability held by it's parent company Speedcast Holdings II LLC.

27 Operating lease commitments

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

	Group 2023 \$'000	2022 \$'000	Company 2023 \$'000	2022 \$'000
Within one year	425	681	-	-
Between one and five years	816	1,393	-	-
In over five years	4,569	4,433	-	-
	<u>5,810</u>	<u>6,507</u>	<u>-</u>	<u>-</u>

SPEEDCAST UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Events after the reporting date

Post year end the group restructuring continued and on 1 January 2024 the company disposed of its shareholdings in Caprock UK Limited and Hermes Datacommunications Limited for a consideration of \$5,287,000 and \$3,716,000 respectively, by way of promissory note from its ultimate parent undertaking Speedcast Holdings III LLC. In addition, on 8 July 2024 the company disposed of its minority shareholding in In Aria! Limited for a consideration of \$721,000, by way of promissory note from its ultimate parent undertaking Speedcast Holdings III LLC.

29 Related party transactions

Transactions with related parties

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

	Sales of goods and services in the year		Purchases of goods and services, and recharges in the year	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Group				
Entities with control, joint control or significant influence over the company	-	14	(1)	(2)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2023	2022
	\$'000	\$'000
Group		
Entities with control, joint control or significant influence over the group	(245)	(6,343)
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2023	2022
	Balance \$'000	Balance \$'000
Group		
Entities with control, joint control or significant influence over the group	788	4,817
	<u> </u>	<u> </u>

Other information

The company, and group, has taken advantage of the exemption with FRS 102 not to disclose transactions with other group subsidiaries where 100.00% ownership applies.

30 Controlling party

The ultimate parent undertaking of Speedcast UK Holdings Limited is Speedcast Holdings III LLC, a company incorporated in the United States of America whose registered office is: 440 S Sam Houston Parkway E, Houston Texas, USA 77048.