

Registered number: 07964746

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

TUESDAY



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03/10/2023
COMPANIES HOUSE

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Directors	Simon Acland Chad Anderson Caroline Artis (appointed 1 June 2022) Sanjay Bhandari Craig Clark (appointed 1 June 2022) Benedetto Conversano (appointed 1 June 2022) Lucy Edge Dr Vanessa Lawrence CB Stuart Martin Stewart Miller Lynne Patmore Susan Hunt (resigned 30 April 2022) William Hutton (resigned 18 July 2022) Richard Tuffill (resigned 29 July 2022)
Registered number	07964746
Registered office	Electron Building Fermi Avenue Harwell Science and Innovation Campus Didcot Oxfordshire OX11 0QR
Independent auditor	Crowe U.K. LLP Aquis House 49-51 Blagrove Street Reading Berkshire RG1 1PL

SATELLITE APPLICATIONS CATAPULT LIMITED
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SATELLITE APPLICATIONS CATAPULT LIMITED
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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The Group's mission is:

"To innovate for a better world, empowered by space."

The Group's vision is:

"To be a world-leading technology and innovation company, helping businesses of all sizes to realise the potential from space. By embracing a pioneering, agile, collaborative and entrepreneurial spirit, we create valued partnerships to deliver game changing results."

The main criteria for the Group's activities remains growing economic impact in the UK through:

Commercial growth of the UK Space sector: by supporting the commercial revenue and job growth of the sector.

Regionally balanced UK space sector growth: by delivering the opportunity and benefits of space across UK regions.

Enhancements to environmental and social sustainability, productivity, and quality of life: by supporting improved performance of the sector and supporting development of space enabled solutions for UK and global challenges.

Over the last ten years, the Satellite Applications Catapult has played a major role in the establishment and development of a vibrant space and satellite applications ecosystem. We have shown how a private company operating with a public purpose can function as effective 'translational infrastructure' and shape new industries by helping businesses overcome barriers to innovation.

In those ten years, the space sector has also changed dramatically. It has increased in importance globally for economic growth, for security and for international partnership. The national space strategy has set a very powerful framework that can allow impactful and coordinated activity across all UK interests. From an era focussed on developing low earth orbit constellations the space industry is now moving to a phase focussed on capitalising on those constellations to deliver growth and societal benefit. An in-orbit economy is also developing which will enable the next generation of services through infrastructure manufacture in space.

The opportunity ahead for the UK is to re-imagine this change faster than others. The role of the Satellite Applications Catapult and the Catapult community is going to be crucial in working in partnership with the Department for Science, innovation and Technology, Innovate UK and UKSA to drive demand, bring private finance, industry R&D, and fastpaced commercial delivery toward the generation-shaping opportunities ahead.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Business Review

Activities during the year have been built on and incorporate the experiences gained in our first nine years of trading. This has meant continuing to tackle the three limiting factors addressed through the three mutually reinforcing pillars of our FY19-FY23 strategy:

- A limited supply of market-ready space-based products and services – addressed through **Empowering the Technology**
- A limited number of mature, high growth companies operating in the space sector – addressed through **Enabling Business**
- A limited demand-pull for satellite and space-based products and services in non-space sectors – addressed through **Energising the Market**

All our work has strong focus on UK business growth, and some of the highlights include:

Empowering the Technology

Interest steadily intensified as the UK's first rocket launch grew nearer. The **Virgin Orbit (VO) launch** hosted several small satellites developed in the UK, including a research satellite built by **Open Cosmos in Harwell**. The first Welsh satellite was also on the launch, from Cardiff-based **Space Forge**. It was to test the process of using the unique microgravity environment of space to manufacture. Although the launch was ultimately not successful, the Catapult supported all these companies, and most significantly, a radio-signal collection payload provided by **Horizon Technologies (IOD3 Amber)** through our IOD programme.

The Catapult joined **O-RANOS's multi-skilled consortium** to provide satellite communications and Open Radio Access Network (ORAN) expertise. We continue to support the project's focus on the intelligent use of multi-bearer backhaul (including satellite communications) in ORAN and neutral hosting services. The facilities at Westcott will play a pivotal role in future network development, allowing for additional use cases such as agricultural robotics, drone UAVs and Cooperative, Connected, and Automated Mobility (CCAM) applications.

5G Rural Dorset won the First Access Innovation Award at the Connected Britain Awards held in September 2022. This is the 5th award won by this project that aimed at understanding how next generation connectivity can help people live better, safer, and more prosperous lives in rural communities.

Space-Based Solar Power: The Catapult secured £3M investment to support the advancement of this potentially game-changing new energy source. During the year we have set-up a commercial entity, Space Solar, to capitalise on the work of the Space Energy initiative (SEI) and this company is set to spin-out in FY 23/24.

In-Orbit Servicing and Manufacture (IOSM) Ground Segment activities continued to progress with the commencement of two important new projects funded by the UK Space Agency and using the Catapult's In-Orbit Servicing Control Centre and related expertise.

The build of a new **Thermal Vacuum Chamber (TVAC)** within the Disc Zephyr facility was completed. This chamber adds to the Assembly Integration & Test (AIT) capabilities at DISC Zephyr Harwell and allows for pre-launch testing on complete satellites under the conditions experienced to reach orbit. It can also be used as an Electron Propulsion Chamber (EPC) to test and qualify in-orbit propulsion systems.

Enabling Business

The Catapult's business support activities support scale-up, regional growth and new supply chain development. Growing the space sector and understanding the opportunities requires increased awareness, confidence and a risk appetite for investing in space. The Catapult continues to play an important role in bringing sovereign and private capital together to generate new investment at scale, including infrastructure investment, international and private finance, and from other sectors such as health, transport and energy.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Our **Regional Programme** plays a significant role in supporting economic growth for the Space sector. The existing regional space clusters and hubs, act as local points of contact for the space sector and are becoming crucial to unlock local and national support and embed themselves as an essential part of their local innovation landscape.

The Catapult collaborated with a variety of industry and academic partners to develop a monitoring, reporting, and verification system related to deforestation. Named **ForestMind**, the solution was validated with anchor customers from the consumer goods industry to deliver continuity post-project. Findings and recommendations from the project supported the UK Government's position to promote the need for legislation to remove deforestation from UK food supply-chains.

The Catapult continued with its **Start-up Incubation and Accelerator programme**. This included reopening our Incubation and Accelerator at Westcott for early-stage business support, supporting Seraphim's 'Space Camp' incubator and participation in the selection process for ESA's UK BIC. For those start-ups participating in the programmes that are not currently UK firms, the Catapult continued to promote the benefits of establishing a UK base.

In addition to the above, nine companies were supported through an Innovate UK "**Innovate Edge**" Project, predominately in the MetalFAB1 Metal 3D Printer and clean room arenas – all seeking to build capacity for innovation, growth, and scale.

Energising the Market

In May 2022, the Catapult was invited to participate in the opening of **the world's first independent tailings monitoring centre**. This landmark event was the culmination of a successful multi-year partnership between the State government of Minas Gerais, the UK Foreign Commonwealth & Development Office (FCDO), AECOM and the Satellite Applications Catapult. Through the Catapult's intervention, satellites and space now have a prominent role in the development of tailings monitoring for the Brazilian State Government. This flagship initiative and programme, with interest on a global level, is set to expand further, again involving leading UK expertise from industry and academia, to grow the number of tailings dams under monitoring and the types of Space derived analysis being conducted.

In August, our project lead for **IPP CommonSensing**, was invited to speak on climate justice at the **12th meeting of the UNGGIM** at the United Nations headquarters in New York City. The presentation was entitled, 'Linking Geospatial Information Management with Earth Observations' and allowed us to introduce IPP CommonSensing to 360 delegates from 73 member states. The gathering included heads of national mapping and hydrographical services, together with a mix of private sector and industry bodies.

A summary of research co-funded by the **Geospatial Commission and Satellite Applications Catapult** was published in June. The 'Investigating UK public sector demand for Earth Observation technology' report summarised evidence from 125 UK public sector organisations that are current or potential users of EO data. The study aims to identify and describe users and suggests next steps for the UK public sector EO community to consider and realise greater value.

Space Based Solar Power has also been widely discussed in national and international media, generating interest from investors, Government and the public. This is an important activity in helping to secure future funding and support for this important technology amongst the finance and energy sectors. This exposure includes inclusions in publications like The FT, Wired, The Daily Express, The Times, The Mail on Sunday, and the Daily Mail.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Strategic focus and priorities

In FY23-24, the Satellite Applications Catapult will begin to implement our new five-year Outputs and Outcomes (O&O) proposal. One year on from the publication of the National Space Strategy, the Catapult has continued to support the development of UK-based satellite launch capabilities, develop the UK's leadership by establishing and developing in-orbit capabilities and infrastructure, and innovate to develop new technologies and business cases that will support the global drive towards Net Zero and clean energy.

As the Catapult continues to support the evolution of the UK space sector's role in government, industry, and academia, FY24 will be a transformative year as we embed our new missions and interventions approach. The Catapult will begin to implement the new O&O's mission-based strategy through the integration of four Missions and associated interventions:

- **Our Sustainable Earth**
- **Our Connected Earth**
- **Our Autonomous Earth, and**
- **Beyond Our Earth.**

The interventions under each mission are also categorically arranged based on four focus areas: **Programmes, Projects, and Services; Facilities as a Service; Industry Mobilisation; and Investible Propositions.**

There are also a series of 'Cross-Cutting' interventions which cover all focus areas across the organisation. These include some of our largest areas of work, and several important new focus areas for the next five years, spanning regional activities, Net-Zero, ED&I, skills, international project finance, catalysing investment, government demand creation, strategic facilities, business support and communications.

Alongside embedding a missions-based approach, FY24 will see the prioritisation of two key areas of activity:

1. Driving large scale increases in capital into the sector by focusing on developing large business, stimulating interest from large-scale institutional and infrastructure finance into the sector, building skills to enable the next generation of large businesses. developing international partnerships, and supporting supply chains and sustainability.
2. Growing the narrative of benefits that space can deliver for earth through LEO PNT, Space Based Solar Power, the Drone Test and Development Centre, and Sustainability initiatives.

The Catapult's four Missions will strive to deliver against these priorities while also capitalising on the opportunities available within each unique intervention area.

Principal risks and uncertainties

The company operates under a grant funding agreement with Innovate UK which is supplemented by funding for research and development projects and other commercial streams. The most significant risk for the Group continues to be a reduction in government funding or a material change in government policy. To provide mitigation against this risk, the Group has diversified the sources of funding for its research and development projects and other commercial streams.

The Group monitors cash flow as part of its day-to-day control procedures. The directors consider cash flow projections on a regular basis and ensures that appropriate funds are available, as necessary.

The Group has a detailed risk register which the directors review on a regular basis and actions are taken to mitigate risk where practical.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Financial key performance indicators

		2023	2022	%	2023
				Change	
	Key Performance Indicator	Actual	Actual	Vs 2022	Target
1	Innovate UK GFA core funding claimed (£'m)	17.0	15.0	13%	17.0
1a	Innovate UK Supplementary funding	1.5	0.0	-	0.0
2	Collaborative income (£'m)	7.4	10.6	-30%	13.9
3	Commercial income (£'m)	3.3	4.9	-33%	8.6
4	Utilisation of assets (%)	39%	33%	18%	60%
5	Funding raised by business clients supported (£'m)	128.5	247.9	-48%	35.0

1. Core funding received from Innovate UK for investment in core research programmes, capabilities, know-how, expertise, skills and long-term capital assets of the centre
2. Collaborative income from contracts jointly funded by the public and private sector which are won competitively and include include national and international activities
3. Commercial income contracts won competitively
4. Percentage of utilisation of assets
5. Funding raised by business clients supported

The UK continues to operate in a much more constrained R&D funding environment than was envisaged when the revenue-based KPIs were set back in 2017. This largely results from an underestimate of the impact of Brexit (the UK is still excluded from key EU programmes like Copernicus and Horizon), the Covid-19 pandemic and more recently the war in Ukraine.

The value of the 5-year GFA funding is clearly demonstrated here, is this has been vital to ensuring that the non-financial KPIs (not reported here) have all been substantially achieved or, like 'funding raised by business clients', significantly exceeded.

The year-on-year reduction in commercial income reflects the strategic shift towards targeting larger scale, longer term revenue projects which is still ongoing. This was done in the knowledge that shorter-term revenue would likely be impacted.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Gender information

The Group is an equal opportunities employer and supports the principle of equality of treatment in employment and is committed to ensuring that employees are not discriminated against, and men and women are paid equally for equal work.

As at the year end, the group employed:

	Male	Female
Directors	7	4
Senior Managers	22	8
Employees	84	76

This report was approved by the board on Jul 21, 2023

and signed on its behalf.


Stuart Martin (Jul 21, 2023 08:50 GMT+1)

Stuart Martin
Chief Executive Officer

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group 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 for the Group's financial statements and then apply them consistently;
- make judgments 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 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £860,538 (2022 - £4,212,507).

The Group's trading results for the year and the Group's and Company's financial position at the end of the year are shown in the attached financial statements.

Satellite Applications Catapult Limited ("the Company") is a private company limited by guarantee and was incorporated in February 2012 as a not-for-profit research organisation, in which trading surplus generated is reinvested by the Company to progress the achievement of its objectives. The Company commenced trading in January 2013.

These consolidated financial statements include the results and financial position of the Company and its trading subsidiaries and associates, Satellite Applications Catapult Services Limited, Satellite Applications Catapult SpA and non-trading subsidiaries Satellite Applications Catapult Incorporated, EASOS Limited, ForestMind, International Space Innovation Centre Limited and Space Solar Innovations Ltd (together the 'Group').

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Directors

The Directors who served during the year were:

Simon Acland
Chad Anderson
Caroline Artis (appointed 1 June 2022)
Sanjay Bhandari
Craig Clark (appointed 1 June 2022)
Benedetto Conversano (appointed 1 June 2022)
Lucy Edge
Dr Vanessa Lawrence CB
Stuart Martin
Stewart Miller
Lynne Patmore
Susan Hunt (resigned 30 April 2022)
William Hutton (resigned 18 July 2022)
Richard Tuffill (resigned 29 July 2022)

Future developments

The Group will continue to encourage and facilitate innovation and growth in the UK space sector to assist the UK in growing its market share to 10% of the £400bn global space market predicted by 2030. More details are contained in the Strategic Report.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Jul 21, 2023

and signed on its behalf.


Stuart Martin (Jul 21, 2023 09:30 GMT+1)

Stuart Martin
Director

SATELLITE APPLICATIONS CATAPULT LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATELLITE APPLICATIONS CATAPULT LIMITED

Opinion

We have audited the financial statements of Satellite Applications Catapult Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

SATELLITE APPLICATIONS CATAPULT LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATELLITE APPLICATIONS CATAPULT LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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.

SATELLITE APPLICATIONS CATAPULT LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATELLITE APPLICATIONS CATAPULT LIMITED (CONTINUED)

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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group and Company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant Taxation legislation.

We identified the greatest risks of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and revenue recognition. Our audit procedures to respond to management override risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases. Our audit procedures to respond to revenue recognition risks included testing a sample of revenue across the year to agree to supporting documentation and testing revenue received either side of the year to ensure correct cut-off.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.


A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

SATELLITE APPLICATIONS CATAPULT LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATELLITE APPLICATIONS CATAPULT LIMITED (CONTINUED)

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.



Richard Baker (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL
Date: 21 July 2023

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	31,069,420	30,691,995
Gross profit		31,069,420	30,691,995
Administrative expenses		(27,199,576)	(24,548,348)
Depreciation of tangible fixed assets		(3,047,679)	(1,806,113)
Operating profit	6	822,165	4,337,534
Interest receivable and similar income	10	31,730	10,148
Interest payable and similar expenses	11	(56,298)	-
Profit before taxation		797,597	4,347,682
Tax on profit	12	62,941	(135,175)
Profit for the financial year		860,538	4,212,507
Unrealised surplus/(deficit) on revaluation of tangible fixed assets		206,250	(11,210)
Other comprehensive income for the year		206,250	(11,210)
Total comprehensive income for the year		1,066,788	4,201,297
Profit for the year attributable to:			
Owners of the parent Company		860,538	4,212,507
		860,538	4,212,507
Total comprehensive income for the year attributable to:			
Owners of the parent Company		1,066,788	4,201,297
		1,066,788	4,201,297

The notes on pages 22 to 44 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 07964746

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	15,248,572	14,623,137
Investments	14	555,553	349,303
		<u>15,804,125</u>	<u>14,972,440</u>
Current assets			
Debtors: amounts falling due after more than one year	15	534,632	143,248
Debtors: amounts falling due within one year	15	11,636,447	11,112,578
Cash at bank and in hand	16	1,715,362	2,792,144
		<u>13,886,441</u>	<u>14,047,970</u>
Creditors: amounts falling due within one year	17	(9,725,928)	(9,727,331)
Net current assets		<u>4,160,513</u>	<u>4,320,639</u>
Total assets less current liabilities		<u>19,964,638</u>	<u>19,293,079</u>
Creditors: amounts falling due after more than one year	18	(1,250,000)	(1,600,000)
Provisions for liabilities			
Deferred taxation	20	(67,311)	(112,540)
		<u>(67,311)</u>	<u>(112,540)</u>
Net assets excluding pension asset		<u>18,647,327</u>	<u>17,580,539</u>
Net assets		<u>18,647,327</u>	<u>17,580,539</u>
Capital and reserves			
Revaluation reserve	21	517,039	310,789
Profit and loss account	21	18,130,288	17,269,750
Equity attributable to owners of the parent Company		<u>18,647,327</u>	<u>17,580,539</u>
		<u>18,647,327</u>	<u>17,580,539</u>

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 07964746

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
Jul 21, 2023

Stuart Martin
Stuart Martin (Jul 21, 2023 08:10 GMT-1)

Stuart Martin
Chief Executive Officer

The notes on pages 22 to 44 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 07964746

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	15,248,572	14,623,137
Investments	14	564,585	357,912
		<u>15,813,157</u>	<u>14,981,049</u>
Current assets			
Debtors: amounts falling due after more than one year	15	300,000	-
Debtors: amounts falling due within one year	15	11,292,965	10,736,336
Cash at bank and in hand	16	1,469,746	2,658,559
		<u>13,062,711</u>	<u>13,394,895</u>
Creditors: amounts falling due within one year	17	(10,128,091)	(9,922,920)
Net current assets		<u>2,934,620</u>	<u>3,471,975</u>
Total assets less current liabilities		<u>18,747,777</u>	<u>18,453,024</u>
Creditors: amounts falling due after more than one year	18	(1,250,000)	(1,600,000)
Provisions for liabilities			
Deferred taxation	20	(80,090)	(112,540)
		<u>(80,090)</u>	<u>(112,540)</u>
Net assets		<u>17,417,687</u>	<u>16,740,484</u>
Capital and reserves			
Revaluation reserve	21	517,039	310,789
Profit and loss account brought forward		16,429,695	12,366,263
Profit for the year		470,953	4,063,432
Profit and loss account carried forward	21	16,900,648	16,429,695
		<u>17,417,687</u>	<u>16,740,484</u>

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 07964746

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
Jul 21, 2023


Stuart Martin (Jul 21, 2023 08:40 GMT+1)

Stuart Martin
Chief Executive Officer

The notes on pages 22 to 44 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2021	321,999	13,057,243	13,379,242
Comprehensive income for the year			
Profit for the year	-	4,212,507	4,212,507
Deficit on revaluation of fixed asset investments	(11,210)	-	(11,210)
At 1 April 2022	310,789	17,269,750	17,580,539
Comprehensive income for the year			
Profit for the year	-	860,538	860,538
Surplus on revaluation of fixed asset investments	206,250	-	206,250
At 31 March 2023	517,039	18,130,288	18,647,327

The notes on pages 22 to 44 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

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

	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2021	321,999	12,366,263	12,688,262
Comprehensive income for the year			
Profit for the year	-	4,063,432	4,063,432
Deficit on revaluation of other fixed assets	(11,210)	-	(11,210)
At 1 April 2022	310,789	16,429,695	16,740,484
Comprehensive income for the year			
Profit for the year	-	470,953	470,953
Surplus on revaluation of fixed asset investments	206,250	-	206,250
At 31 March 2023	517,039	16,900,648	17,417,687

The notes on pages 22 to 44 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

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

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	860,538	4,212,507
Adjustments for:		
Depreciation of tangible assets	3,047,679	1,806,112
Loss on disposal of tangible assets	4,090	64,185
Interest paid	56,298	-
Interest received	(31,730)	(10,148)
Taxation charge	(62,941)	135,175
(Increase) in debtors	(913,433)	(1,324,101)
Increase/(decrease) in creditors	1,113,951	(1,006,125)
Corporation tax received	3,981	-
Net cash generated from operating activities	4,078,433	3,877,605
Cash flows from investing activities		
Purchase of tangible fixed assets	(5,130,647)	(3,704,942)
Purchase of unlisted and other investments	-	(38,520)
Interest received	16,592	4,366
Associates interest received	15,138	5,782
Net cash from investing activities	(5,098,917)	(3,733,314)
Cash flows from financing activities		
Interest paid	(56,298)	-
Net cash used in financing activities	(56,298)	-
Net (decrease)/increase in cash and cash equivalents	(1,076,782)	144,291
Cash and cash equivalents at beginning of year	2,792,144	2,647,853
Cash and cash equivalents at the end of year	1,715,362	2,792,144
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,715,362	2,792,144
	1,715,362	2,792,144

The notes on pages 22 to 44 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023**

	At 1 April 2022 £	Cash flows £	Other non- cash changes £	At 31 March 2023 £
Cash at bank and in hand	2,792,144	(1,076,782)	-	1,715,362
Debt due after 1 year	(1,600,000)	-	350,000	(1,250,000)
Debt due within 1 year	-	-	(406,213)	(406,213)
	<u>1,192,144</u>	<u>(1,076,782)</u>	<u>(56,213)</u>	<u>59,149</u>

The notes on pages 22 to 44 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

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

1. General information

Satellite Applications Catapult Limited is a private company limited by guarantee and incorporated in England and Wales in February 2012 as a not for profit organisation. The registered head office is Electron Building, Fermi Avenue, Harwell Science and Innovation Campus, Didcot, Oxfordshire, OX11 0QR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 24 February 2012.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Going concern

The directors have undertaken an assessment of the Group's expected financial situation for at least twelve months from the date of approval of these financial statements. The assessment has considered available information about the future and the preparation and review of the financial forecasts, revenue expectations, and expenditure obligations. The directors have also considered sensitivity analysis against the key assumptions, which included a scenario with no collaborative or commercial income in the next twelve months.

A key element of the going concern assessment is that the Group is operating under a Grant Funding Agreement ("GFA") with Innovate UK up to March 2023. Whilst the renewal of the GFA for the period from April 2023 to March 2028 is ongoing, there is no information to indicate that the GFA will not be renewed. Further, the directors expect that grant advances will be made in accordance with the terms and conditions in place for the current GFA. Funding for the Group in financial year 2023/24 is expected to be at a similar level to 2022/23. This grant funding agreement is supplemented by an additional grant in-advance of need from Innovate UK together with external collaborative research and development projects and other commercial income streams.

Based on the assessment undertaken by the directors, and the sensitivities and scenarios considered, the Group is able to continue for a period of at least twelve months from the date of approval of these financial statements, and consequently the financial statements have been prepared on a going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

At each period 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.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Grant income

Turnover recorded in the financial statements includes government grants received or receivable. The Group has elected to apply the performance model when accounting for government grants:

- Grants that do not impose specific future performance-related conditions are recognised in income when the grant proceeds are received or receivable;
- Grants that impose specific future performance-related conditions are recognised in income only when the performance-related conditions are met;
- Grants received before the revenue recognition criteria are satisfied are recognised as liabilities in the financial statements.

Rendering of services

Turnover from the rendering of services is recognised on a straight-line basis by reference to the stage of completion of the contract subject to the achievement of significant project milestones. The stage of completion of a contract is measured by comparing costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

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

2: Accounting policies (continued)

2.9 Pensions

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 profit or loss 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.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 14 years
Leasehold expenses	- 5 years
Communications and infrastructure	- 3 - 15 years
Commercial vehicles	- 8 years
Fixtures and fittings	- 3 - 10 years
Office equipment	- 3 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Fixed assets relating to the In-Orbit Demonstration Programme contained within communications and infrastructure are not depreciated until they are launched in orbit. When launched they will be depreciated in full.

Assets under construction are not depreciated and are transferred to the relevant fixed asset category when they are brought into use. Leasehold land is not depreciated.

2.12 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of financial position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

SATELLITE APPLICATIONS CATAPULT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.18 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

SATELLITE APPLICATIONS CATAPULT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Recoverability and valuation of the fixed asset investments

The group has invested in a number of spin out companies. The directors consider the recoverability and valuation of investments on a regular basis and it is their view that the valuations are appropriate and the amounts to be recoverable in the future.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Innovate UK Grant Funding	20,298,499	15,203,570
Collaborative and Commercial Income	10,770,921	15,488,425
	<u>31,069,420</u>	<u>30,691,995</u>

5. Normalised operating surplus

Due to the accounting treatment of grant income under FRS 102, the whole capital element of grant income is recognised in the year it is incurred. This results in operating profits during the periods of capital investment and operating losses when depreciation exceeds investment. The impact of actual levels of capital grant recognition and fixed asset depreciation is shown below.

The Group generates surpluses for reinvestment, the normalised operating surplus before depreciation is shown after any surpluses are reinvested.

	2023 £	2022 £
Operating profit	822,165	4,337,534
Depreciation and fixed asset impairment	3,047,679	1,806,133
Operating profit before depreciation	<u>3,869,844</u>	<u>6,143,667</u>
Capital grant element of turnover	(3,652,675)	(5,443,201)
Normalised operating surplus before depreciation	<u>217,169</u>	<u>700,466</u>

SATELLITE APPLICATIONS CATAPULT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Operating profit

The operating profit is stated after charging:

	2023	2022
	£	£
Research & development charged as an expense	9,904,399	8,358,143
Exchange differences	(43,047)	(32,033)
Other operating lease rentals	1,116,502	855,543
	<u>1,116,502</u>	<u>855,543</u>

7. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	32,750	28,000
	<u>32,750</u>	<u>28,000</u>
Taxation compliance services	4,460	4,650
All other assurance services	52,065	37,375
	<u>56,525</u>	<u>42,025</u>

SATELLITE APPLICATIONS CATAPULT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	12,267,683	10,301,337	12,267,683	10,301,337
Social security costs	1,416,656	1,165,694	1,416,656	1,165,694
Cost of defined contribution scheme	994,548	859,780	994,548	859,780
	<u>14,678,887</u>	<u>12,326,811</u>	<u>14,678,887</u>	<u>12,326,811</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2023 No.	2022 No.
Management & Professional Service	58	50
Business Development, National Capability & Impact	49	42
Technology and Innovation	93	84
	<u>200</u>	<u>176</u>

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	636,144	736,828
Group contributions to defined contribution pension schemes	29,256	37,445
	<u>665,400</u>	<u>774,273</u>

During the year retirement benefits were accruing to 3 Directors (2022 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £263,165 (2022 - £262,593).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10,000 (2022 - £10,000).

SATELLITE APPLICATIONS CATAPULT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

10. Interest receivable

	2023 £	2022 £
Share of associates' interest receivable	15,138	8,992
Other interest receivable	16,592	1,156
	31,730	10,148
	31,730	10,148

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	85	-
Mortgage interest payable	56,213	-
	56,298	-
	56,298	-

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	51,418	69,123
Adjustments in respect of previous periods	(69,130)	(26,368)
	(17,712)	42,755
	(17,712)	42,755
Deferred tax		
Origination and reversal of timing differences	(45,229)	92,420
	(45,229)	92,420
	(45,229)	92,420
Taxation on (loss)/profit on ordinary activities	(62,941)	135,175
	(62,941)	135,175

SATELLITE APPLICATIONS CATAPULT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>797,597</u>	<u>4,347,682</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	151,543	826,060
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(801)	33,000
Ineligible depreciation	549,455	291,775
Adjustments to tax charge in respect of prior periods	(69,130)	(26,368)
Capital grants and other income not taxable	(694,008)	(1,034,209)
Deferred tax asset not recognised	-	92,420
RDEC set-off amount	-	(47,503)
Total tax charge for the year	<u>(62,941)</u>	<u>135,175</u>

Factors that may affect future tax charges

The March 2021 budget announced that the standard rate of corporation tax will increase from 19% to 25% from 1 April 2023 for companies with profits in excess of £250,000.

SATELLITE APPLICATIONS CATAPULT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Tangible fixed assets

Group and Company

	Freehold property £	Leasehold property £	Communicati on and infrastructure £	Commercial vehicles £	Fixtures and fittings £	Office equipment £	Assets under construction £	Total £
Cost or valuation								
At 1 April 2022	2,033,478	262,309	5,645,303	101,988	3,450,975	8,028,210	3,760,301	23,282,564
Additions	500,276	-	818,318	-	572,388	1,471,913	314,309	3,677,204
Disposals	-	-	(701,769)	-	(48,064)	(145,439)	-	(895,272)
Transfers between classes	1,131,787	-	-	-	2,025,363	-	(3,157,150)	-
At 31 March 2023	3,665,541	262,309	5,761,852	101,988	6,000,662	9,354,684	917,460	26,064,496
Depreciation								
At 1 April 2022	198,739	-	3,102,563	52,892	1,085,069	4,220,164	-	8,659,427
Charge for the year on owned assets	229,249	-	926,396	19,847	664,208	1,207,979	-	3,047,679
Disposals	-	-	(701,769)	-	(43,974)	(145,439)	-	(891,182)
At 31 March 2023	427,988	-	3,327,190	72,739	1,705,303	5,282,704	-	10,815,924

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13. Tangible fixed assets (continued)

Net book value

At 31 March 2023	<u>3,237,553</u>	<u>262,309</u>	<u>2,434,662</u>	<u>29,249</u>	<u>4,295,359</u>	<u>4,071,980</u>	<u>917,460</u>	<u>15,248,572</u>
At 31 March 2022	<u>1,834,739</u>	<u>262,309</u>	<u>2,542,740</u>	<u>49,096</u>	<u>2,365,906</u>	<u>3,808,046</u>	<u>3,760,301</u>	<u>14,623,137</u>

All of the Group's tangible fixed assets are held in the Parent company.

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14. Fixed asset investments

Group

	Investments £
Cost or valuation	
At 1 April 2022	360,513
Revaluations	206,250
At 31 March 2023	<u>566,763</u>
Impairment	
At 1 April 2022	11,210
At 31 March 2023	<u>11,210</u>
Net book value	
At 31 March 2023	<u>555,553</u>
At 31 March 2022	<u>349,303</u>

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14. Fixed asset investments (continued)

Company

	Investments £
Cost or valuation	
At 1 April 2022	369,122
Additions	1
Foreign exchange movement	422
Revaluations	206,250
At 31 March 2023	<u>575,795</u>
Impairment	
At 1 April 2022	11,210
At 31 March 2023	<u>11,210</u>
Net book value	
At 31 March 2023	<u>564,585</u>
At 31 March 2022	<u>357,912</u>

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14. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Satellite Applications Catapult SpA	El Bosque Central 92 P-6, Las Condes, Region Metropolitana, Chile	Commercial	Ordinary	100%
Satellite Applications Catapult Services Limited	Electron Building Fermi Avenue, Harwell, Didcot, United Kingdom, OX11 0QR	Commercial	Ordinary	100%
International Space Innovation Centre Limited	Electron Building Fermi Avenue, Harwell, Didcot, United Kingdom, OX11 0QR	Dormant	Ordinary	100%
EASOS Limited	Electron Building Fermi Avenue, Harwell, Didcot, United Kingdom, OX11 0QR	Dormant	Ordinary	100%
Satellite Applications Catapult Inc	1675 S State St Ste B, Dover, De 19001, USA	Dormant	Ordinary	100%
ForestMind	Electron Building Fermi Avenue, Harwell, Didcot, United Kingdom, OX11 0QR	Dormant	Ordinary	100%
Space Solar Innovations Limited	Electron Building Fermi Avenue, Harwell, Didcot, United Kingdom, OX11 0QR	Dormant	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
	£	£
Satellite Applications Catapult SpA	(194,015)	(23,794)
Satellite Applications Catapult Services Limited	1,175,813	386,895
International Space Innovation Centre Limited	1	-
EASOS Limited	1	-
Satellite Applications Catapult Inc	1	-
ForestMind	1	-
Space Solar Innovations Limited	1	-

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

15. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due after more than one year				
Other debtors	534,632	143,248	300,000	-
	<u>534,632</u>	<u>143,248</u>	<u>300,000</u>	<u>-</u>
	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due within one year				
Trade debtors	5,034,489	4,453,978	5,034,489	4,453,978
Other debtors	340,080	206,864	221,510	40,128
Prepayments and accrued income	5,330,932	5,193,808	5,106,020	4,984,302
Tax recoverable	930,946	1,257,928	930,946	1,257,928
	<u>11,636,447</u>	<u>11,112,578</u>	<u>11,292,965</u>	<u>10,736,336</u>

16. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	1,715,362	2,792,144	1,469,746	2,658,559
	<u>1,715,362</u>	<u>2,792,144</u>	<u>1,469,746</u>	<u>2,658,559</u>

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FOR THE YEAR ENDED 31 MARCH 2023

17. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Concessionary loans	406,213	-	406,213	-
Trade creditors	4,308,202	5,011,471	4,308,202	5,011,471
Amounts owed to group undertakings	-	-	576,170	413,776
Corporation tax	24,499	36,411	-	-
Other taxation and social security	411,939	321,431	411,939	321,431
Other creditors	2,260,000	2,260,000	2,260,000	2,260,000
Accruals and deferred income	2,315,075	2,098,018	2,165,567	1,916,242
	<u>9,725,928</u>	<u>9,727,331</u>	<u>10,128,091</u>	<u>9,922,920</u>

18. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Concessionary loans	1,250,000	1,600,000	1,250,000	1,600,000
	<u>1,250,000</u>	<u>1,600,000</u>	<u>1,250,000</u>	<u>1,600,000</u>

The concessionary loan has been treated in accordance with Section 34 of FRS 102. The loan is initially measured at the amount received then subsequently adjusted to reflect any accrued interest payable.

The concessionary loan bears an interest rate of 1.36%. Interest becomes due from the completion of the Westcott Innovation Centre development, and is based upon the revenue generated from the facility. Repayment of the outstanding capital and interest is due in two installments, the first being £350,000 on the third anniversary of the agreement and the balance due 5 years later. Security has been provided for the loan by a fixed charge over the Westcott Innovation Centre.

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19. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Amounts falling due within one year				
Concessionary loans	406,213	-	406,213	-
Amounts falling due 2-5 years				
Concessionary loans	1,250,000	1,600,000	1,250,000	1,600,000
	<u>1,656,213</u>	<u>1,600,000</u>	<u>1,656,213</u>	<u>1,600,000</u>

20. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	(112,540)	(20,120)
Charged to profit or loss	45,229	(92,420)
At end of year	<u>(67,311)</u>	<u>(112,540)</u>

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20. Deferred taxation (continued)

Company

	2023 £	2022 £
At beginning of year	(112,540)	(20,120)
Charged to profit or loss	32,450	(92,420)
At end of year	(80,090)	(112,540)

The provision for deferred taxation is made up as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Accelerated capital allowances	(67,311)	(112,540)	(80,090)	(112,540)
	(67,311)	(112,540)	(80,090)	(112,540)

21. Reserves

Revaluation reserve

Includes gains/losses arising on the revaluation of the Company's investments. This reserve is not a distributable reserve.

Profit and loss account

Includes all current and prior period retained profits and losses.

22. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Capital commitments

At 31 March 2023 the Group and Company had capital commitments as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Contracted for but not provided in these financial statements	(246,062)	(803,327)	(246,062)	(803,327)
	<u>(246,062)</u>	<u>(803,327)</u>	<u>(246,062)</u>	<u>(803,327)</u>

24. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension costs charge represents contributions payable by the Group to the fund and amounted to £994,548 (2022 - £859,780). Contributions totalling £nil (2022 - £nil) were payable to the fund at the balance sheet date.

25. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Not later than 1 year	998,457	1,115,190	998,457	1,115,190
Later than 1 year and not later than 5 years	2,017,764	2,451,122	2,017,764	2,451,122
Later than 5 years	81,884	567,028	81,884	567,028
	<u>3,098,105</u>	<u>4,133,340</u>	<u>3,098,105</u>	<u>4,133,340</u>

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26. Related party transactions

The company is exempt from disclosing related party transactions with other wholly owned companies within the Satellite Applications Catapult Limited group.

The following transactions took place between the Group and its associated companies during the year:

	2023	2022
	£	£
Company		
Interest charged to associated companies	8,835	-
	<u>8,835</u>	<u>-</u>

The following balances were due from/(to) associated companies at the year end:

	2023	2022
	£	£
Group		
Trade debtor from associated companies	936	2,917
Loans due from associated parties	799,178	143,248
	<u>799,178</u>	<u>143,248</u>

	2023	2022
	£	£
Company		
Trade debtor from associated companies	936	2,917
Loans due from associated parties	508,835	-
	<u>508,835</u>	<u>-</u>

	2023	2022
	£	£
Group and Company		
Key management personnel compensation	1,294,243	1,378,061
	<u>1,294,243</u>	<u>1,378,061</u>