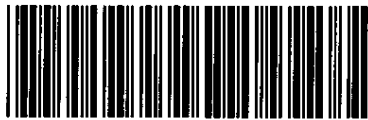


Company Registration No. SC145376 (Scotland)

**CAPROCK UK LIMITED**  
**REPORT AND UNAUDITED FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2023**

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# CAPROCK UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D A Ross R A Elson
<b>Secretary</b>	Vistra Cosec Limited
<b>Company number</b>	SC145376
<b>Registered office</b>	4th Floor 115 George Street Edinburgh EH2 4JN Scotland
<b>Accountants</b>	RSM UK Tax and Accounting Limited Chartered Accountants 4th Floor The Capitol 431 Union Street Aberdeen AB11 6DA United Kingdom

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# CAPROCK UK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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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" or "The Successor Company").

#### **Business review**

The principal activities in the year were as 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. The fundamentals of the oil and gas industry continued to be challenging in 2023, particularly as it relates to the deepwater offshore segment where the company has a strong market leading position. The company maintains a very strong competitive position in deepwater drilling rigs with significant market share and through developing strategies to expand the services provided with value added services and products such as Crew Wi-Fi, Long-Term Evolution (LTE) connectivity, cybersecurity, Internet of Things (IoT), etc. Accordingly, the group is well positioned to continue to benefit through fluctuating Energy activity levels.

#### **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	30,656	26,057	4,599	18%
Operating loss	(3,477)	(3,739)	262	7%
Loss before tax	(2,917)	(2,973)	56	2%

#### **Principal risks and uncertainties**

The Company 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 diminished 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 Company 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 Company 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 Company to settle its liabilities as they fall due. See the Going Concern disclosure within the Directors' report 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.

# CAPROCK UK LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### ***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.

This report was approved by the board and signed on its behalf by:

*David Ross*

.....  
D A Ross  
**Director**

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

# CAPROCK UK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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

### Results and dividends

The results for the year are set out on page 7.

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 A Ross  
R A Elson

### Going Concern

The Company 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 and funding requirements in 2024 and 2025. The Company also provides services to, and relies on services it receives from other entities within the Group. Without these activities and services, the Company 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 prepare the financial statements on a going concern basis.

### Foreign Operations

During the year the Company operated branches in Ghana and Portugal. These branches provide telecommunications systems and services in the region.

### Post reporting date events

On 1 January 2024 due to a group restructure, the immediate parent undertaking of Caprock UK Limited changed from Speedcast UK Holdings Limited, a company incorporated in the United Kingdom to 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.

### Future Developments

The Company 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 Company 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.

### Financial instruments

Details of financial instruments are provided in the Strategic Report.

### Directors' liability insurance

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.

**CAPROCK UK LIMITED**

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

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On behalf of the board

*David Ross*

.....  
D A Ross

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

# **CAPROCK UK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

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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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF CAPROCK UK LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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In order to assist you to fulfil your duties under the Companies Act 2006 ("the Act"), we prepared for your approval the financial statements of Caprock UK Limited which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes in accordance with the financial reporting framework set out therein from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Caprock UK Limited, as a body, in accordance with the terms of our engagement letter dated 20 February 2024. Our work has been undertaken solely to prepare for your approval the financial statements of Caprock UK Limited and state those matters that we have agreed to state to them in accordance with ICAEW Technical Release 07/16 AAF. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

It is your duty to ensure that Caprock UK Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Caprock UK Limited under the Act. You consider that Caprock UK Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Caprock UK Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



RSM UK Tax and Accounting Limited  
Chartered Accountants  
4th Floor  
The Capitol  
431 Union Street  
Aberdeen  
United Kingdom  
AB11 6DA

20/08/24

# CAPROCK UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

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		<b>2023</b>	<b>2022</b>
	<b>Notes</b>	<b>£000</b>	<b>£000</b>
<b>Turnover</b>		30,656	26,057
Cost of sales		(14,349)	(5,564)
<b>Gross profit</b>		16,307	20,493
Administrative expenses		(19,784)	(24,232)
<b>Operating loss</b>	<b>6</b>	(3,477)	(3,739)
Interest receivable and similar income	<b>7</b>	1,022	1,035
Interest payable and similar expenses	<b>8</b>	(462)	(269)
<b>Loss before taxation</b>		(2,917)	(2,973)
Tax on loss	<b>9</b>	-	-
<b>Loss for the financial year</b>		(2,917)	(2,973)

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**CAPROCK UK LIMITED****STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	Notes	2023		2022	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	10		8		25
Tangible assets	11		6,615		5,517
			<u>6,623</u>		<u>5,542</u>
<b>Current assets</b>					
Stocks	12	1,647		1,856	
Debtors	13	118,333		71,286	
Cash at bank and in hand		822		983	
		<u>120,802</u>		<u>74,125</u>	
<b>Creditors: amounts falling due within one year</b>	14	(167,230)		(119,356)	
<b>Net current liabilities</b>			(46,428)		(45,231)
<b>Total assets less current liabilities</b>			(39,805)		(39,689)
<b>Creditors: amounts falling due after more than one year</b>	15		(14,590)		(11,789)
<b>Net liabilities</b>			<u>(54,395)</u>		<u>(51,478)</u>
<b>Capital and reserves</b>					
Called up share capital	17		116,179		116,179
Share premium account			91,700		91,700
Profit and loss reserves			(262,274)		(259,357)
<b>Total equity</b>			<u>(54,395)</u>		<u>(51,478)</u>

For the year ended 31 December 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ('the Act') relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Act.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

# CAPROCK UK LIMITED

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

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	Share capital	Share premium account	Profit and loss reserves	Total
	£000	£000	£000	£000
<b>Balance at 1 January 2022</b>	116,179	91,700	(256,384)	(48,505)
<b>Year ended 31 December 2022:</b>				
Loss and total comprehensive expense for the year	-	-	(2,973)	(2,973)
<b>Balance at 31 December 2022</b>	116,179	91,700	(259,357)	(51,478)
<b>Year ended 31 December 2023:</b>				
Loss and total comprehensive expense for the year	-	-	(2,917)	(2,917)
<b>Balance at 31 December 2023</b>	116,179	91,700	(262,274)	(54,395)

---

# CAPROCK UK LIMITED

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

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### 1 Accounting policies

#### Company information

Caprock UK Limited's principal activity during the year were as a supplier of managed satellite and terrestrial communications solutions, specifically for remote and harsh environments including the energy and maritime industries.

The Company is a private company limited by shares and is incorporated and domiciled in Scotland, United Kingdom. The address of its registered office is: 4th Floor 115 George Street, Edinburgh, Scotland, EH2 4JN.

#### 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 Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Speedcast UK Holdings Limited. The consolidated financial statements of Speedcast UK Holdings Limited are available from its registered office, First Floor, Templeback, 10 Temple Back, Bristol, United Kingdom, BS1 6FL.

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

#### Going concern

The Company 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 Company also provides services to, and relies on services it receives from other entities within the Group. Without these activities and services, the Company 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 prepare the financial statements on a going concern basis.

# CAPROCK UK LIMITED

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

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### 1 Accounting policies (Continued)

#### 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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.

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 Company 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

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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 range as follows:

Software	1 to 7 Years
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#### Tangible fixed 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 land and buildings	45 Years
Rental Equipment	5 Years
Fixtures and fittings	3-10 Years

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

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.

# CAPROCK UK LIMITED

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

---

### 1 Accounting policies (Continued)

#### **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 Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include trade debtors, amounts owed by group undertakings, 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.

#### **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 Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

# CAPROCK UK LIMITED

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

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### 1 Accounting policies (Continued)

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

Basic financial liabilities, including trade creditors and amounts owed to group undertakings, 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 company's contractual obligations are discharged, cancelled, or they expire.

#### **Equity instruments**

Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

#### **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.

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

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

# CAPROCK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies (Continued)

##### **Retirement benefits**

###### *Defined contribution pension plan*

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

##### **Leases**

###### **Operating leases - the Company as lessee**

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

##### **Foreign exchange**

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period 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

#### 2 Judgements and key sources of estimation uncertainty

##### **Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

##### **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:

# CAPROCK UK LIMITED

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

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### 2 Judgements and key sources of estimation uncertainty (Continued)

#### ***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 Company have 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 £743,850 (2022 - £1,304,427).

#### ***Impairment of tangible assets***

The Company 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 11 for the carrying amount of the tangible assets, and note 1 for the useful economic lives for each class of asset.

#### ***Impairment of intangible assets***

The Company also considers whether intangible assets are impaired. 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 10 for the carrying amount of the intangible assets and note 1 for the useful economic lives for each class of asset.

#### ***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 note 13 for the net carrying amount of group undertakings.

### 3 Turnover

An analysis of turnover has not been disclosed as the directors believe that to do so would be seriously prejudicial to the interest of the Company.

### 4 Employees

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Engineering	95	122
Sales	8	11
Administration	40	34
Total	<u>143</u>	<u>167</u>

# CAPROCK UK LIMITED

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

### 4 Employees (Continued)

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	11,130	11,822
Social security costs	1,325	1,403
Pension costs	513	499
	<u>12,968</u>	<u>13,724</u>

### 5 Directors' remuneration

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Remuneration for qualifying services	563	736
Company pension contributions to defined contribution schemes	17	21
	<u>580</u>	<u>757</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2022 - 2).

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Remuneration for qualifying services	425	571
Company pension contributions to defined contribution schemes	11	13
	<u>436</u>	<u>584</u>

### 6 Operating loss

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Operating loss for the year is stated after charging/(crediting):		
Loss/ (profit) on foreign exchange	141	(182)
Depreciation of tangible fixed assets	1,778	2,102
Amortisation of intangible assets	17	77
Operating lease rentals - land & building	356	422
	<u>2,292</u>	<u>2,429</u>

# CAPROCK UK LIMITED

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

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<b>7</b>	<b>Interest receivable and similar income</b>	<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>
	<b>Interest income</b>		
	Interest on bank deposits	2	-
	Interest receivable from group companies	1,020	1,035
	Total income	<u>1,022</u>	<u>1,035</u>
<b>8</b>	<b>Interest payable and similar expenses</b>	<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>
	Interest payable to group undertakings	<u>462</u>	<u>269</u>
<b>9</b>	<b>Taxation on loss before taxation</b>	<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	<u>-</u>	<u>-</u>

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

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Loss before taxation	<u>(2,917)</u>	<u>(2,973)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 23.52% (2022: 19.00%)	(686)	(565)
Tax effect of expenses that are not deductible in determining taxable profit	171	591
Change in unrecognised deferred tax assets	507	248
Fixed asset differences	38	(215)
Remeasurement of deferred tax for changes in tax rates	<u>(30)</u>	<u>(59)</u>
Taxation charge for the year	<u>-</u>	<u>-</u>

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

# CAPROCK UK LIMITED

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

### 10 Intangible fixed assets

	Software £000
<b>Cost</b>	
At 1 January 2023 and 31 December 2023	3,413
<b>Amortisation and impairment</b>	
At 1 January 2023	3,388
Amortisation charged for the year	17
At 31 December 2023	3,405
<b>Carrying amount</b>	
At 31 December 2023	8
At 31 December 2022	25

### 11 Tangible fixed assets

	Freehold land and buildings £000	Rental Equipment £000	Fixtures and fittings £000	Total £000
<b>Cost</b>				
At 1 January 2023	2,083	25,766	514	28,363
Additions	223	2,751	25	2,999
Disposals	(57)	(161)	-	(218)
At 31 December 2023	2,249	28,356	539	31,144
<b>Depreciation and impairment</b>				
At 1 January 2023	1,221	21,150	475	22,846
Depreciation charged in the year	109	1,644	25	1,778
Eliminated in respect of disposals	-	(95)	-	(95)
At 31 December 2023	1,330	22,699	500	24,529
<b>Carrying amount</b>				
At 31 December 2023	919	5,657	39	6,615
At 31 December 2022	862	4,616	39	5,517

### 12 Stocks

	2023 £000	2022 £000
Raw materials and consumables	614	1,087
Work in progress	1,033	769
	1,647	1,856

# CAPROCK UK LIMITED

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

### 12 Stocks (Continued)

There is no significant difference between the replacement cost of raw materials and consumables and their carrying amounts. There are no provisions for impairment in the year.

### 13 Debtors

	2023	2022
	£000	£000
<b>Amounts falling due within one year:</b>		
Trade debtors	5,228	4,468
Corporation tax recoverable	-	24
Amounts owed by group undertakings	92,498	46,042
Other debtors	143	218
Prepayments and accrued income	1,300	1,422
	<u>99,169</u>	<u>52,174</u>
	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	<u>19,164</u>	<u>19,112</u>
<b>Total debtors</b>	<u>118,333</u>	<u>71,286</u>

All debtor amounts owed by group undertakings are unsecured and bear interest of 4.7% - 6.14% (2022: 4.7% - 6.14%). Amounts owed by group undertakings due within 1 year are repayable on demand.

### 14 Creditors: amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	843	947
Amounts owed to group undertakings	164,398	115,404
Accruals and deferred income	1,989	3,005
	<u>167,230</u>	<u>119,356</u>

All creditor amounts owed to group undertakings are unsecured, repayable on demand and bear interest of 2.2% - 4.5% (2022: 2.2% - 4.5%).

### 15 Creditors: amounts falling due after more than one year

	2023	2022
	£000	£000
Amounts owed to group undertakings	<u>14,590</u>	<u>11,789</u>

# CAPROCK UK LIMITED

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

### 15 Creditors: amounts falling due after more than one year (Continued)

All creditor amounts owed to group undertakings are unsecured and bear interest of 2.2% - 4.5% (2022: 2.2% - 4.5%).

### 16 Retirement benefit schemes

	2023	2022
	£000	£000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	513	499

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

Contributions totalling £196,000 (2022 - £165,000) were payable to the fund at the year end and are included in creditors.

### 17 Share capital

	2023	2022	2023	2022
	Number	Number	£000	£000
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	116,179,435	116,179,435	116,179	116,179

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

### 18 Reserves

#### Share premium account

This reserve records the amount above the nominal value received for shares issued, less transaction costs.

#### Profit and loss account

Profit and loss account represents accumulated losses for the year and prior periods.

### 19 Operating lease commitments

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

	2023	2022
	£000	£000
Within one year	334	421
Between one and five years	641	1,099
In over five years	3,589	3,662
	<u>4,564</u>	<u>5,182</u>

# CAPROCK UK LIMITED

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

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### **20 Events after the reporting date**

On 1 January 2024 due to a group restructure, the immediate parent undertaking of Caprock UK Limited changed from Speedcast UK Holdings Limited, a company incorporated in the United Kingdom to 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.

### **21 Ultimate controlling party**

The Company's immediate parent undertaking and controlling party is Speedcast UK Holdings Limited, a company incorporated in the United Kingdom whose registered office is: First Floor Templeback, 10 Temple Back, Bristol, BS1 6FL.