

# **Inmarsat New Zealand Limited**

**Financial Statements and Annual Report  
For the year ended 31 December 2022**

**Inmarsat New Zealand Limited**  
**Directory**  
**For the year ended 31 December 2022**

<b>Contents</b>	<b>Page</b>
Directory	1
Directors Responsibilities Statement	3
Auditor's Report	4 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 19

**Inmarsat New Zealand Limited**  
**Directory**  
**For the year ended 31 December 2022**

Registered Office: 24 Unity Drive North, North Harbour, Auckland,  
New Zealand

Directors: Mr. John Mackey  
Mr. Todd McDonell  
Mr. Simon Paul Ranford

Auditor: Deloitte LLP  
Birmingham, UK

Bankers: JPMorgan Chase Bank, N.A.  
Wellington, New Zealand

**Inmarsat New Zealand Limited  
Directors' Responsibilities Statement  
For the year ended 31 December 2022**


The Board of Directors present their Annual Report including the financial statements of the Company for the year ended 31 December 2022 and the auditor's report thereon.

The shareholders of the Company have exercised their right under section 211(3) of the Companies Act 1993 and unanimously agreed that this Annual Report need not comply with any of paragraphs (a) and (e) to (j) of section 211(1) of the Act.

For, and on behalf of the Board, who authorised these financial statements for issue on the date indicated below.

DocuSigned by:  
  
10C33B5FD20944C...  
Director

30 June 2023  
Date

DocuSigned by:  
  
0E3DBD0CB0C1451...  
Director

30 June 2023  
Date

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
Inmarsat New Zealand Limited**

***Opinion***

We have audited the financial statements of Inmarsat New Zealand Limited (the 'Company'), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, on pages 6 to 19, present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime ('NZ IFRS RDR').

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor, we have no relationship with or interests in the Company, except that partners and employees of our firm deal with the Company on normal terms within the ordinary course of trading activities of the business of the Company.

***Directors' responsibilities for the financial statements***

The directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with NZ IFRS RDR, 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 on behalf of the Company for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on at the External Reporting Board's website at:


<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8>

This description forms part of our auditor's report.

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
Inmarsat New Zealand Limited (continued)**

***Restriction on use***

This report is made solely to the Company's shareholders, as a body, in accordance with Section 207B of the Companies Act 1993. Our audit has been undertaken so that we might state to the Company's shareholders 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's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
19750BCA07604EA...

James Isherwood, ACA (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Birmingham, United Kingdom  
30 June 2023

**Inmarsat New Zealand Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2022**

<b>(NZD in thousands)</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
Service revenue	4	<b>17,654</b>	<b>15,097</b>
<b>Total revenue</b>		<b>17,654</b>	<b>15,097</b>
Employee benefit costs	6	(1,581)	(1,530)
Network and satellite operations costs		(2,990)	(2,801)
Other net operating costs		(2,951)	(696)
Depreciation and amortisation	11,12	(8,900)	(7,342)
Loss on disposals of assets	11	(154)	-
Interest expenses	13	(352)	(305)
<b>Profit before income tax</b>		<b>726</b>	<b>2,423</b>
Income tax credit / (charge)	7	508	(699)
<b>Profit for the year</b>	5	<b>1,234</b>	<b>1,724</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to the profit or loss:</i>			
Foreign exchange translation gain, net of tax		2,928	2,287
<b>Other comprehensive income, net of tax</b>		<b>2,928</b>	<b>2,287</b>
<b>Total other comprehensive income, net of tax</b>		<b>4,162</b>	<b>4,011</b>

The accompanying notes form part of these financial statements.

**Inmarsat New Zealand Limited**  
**Statement of Financial Position**  
**As at 31 December 2022**

(NZD in thousands)	Notes	As at 31 December 2022	As at 31 December 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	32,760	35,501
Intangible assets	12	21	27
<b>Total non-current assets</b>		<b>32,781</b>	<b>35,528</b>
<b>Current assets</b>			
Cash and cash equivalents		-	-
Trade and other receivables	10	26,379	20,941
Current income tax asset		16	2,128
<b>Total current assets</b>		<b>26,395</b>	<b>23,069</b>
<b>Total assets</b>		<b>59,176</b>	<b>58,597</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accruals	9	6,478	4,277
<b>Total current liabilities</b>		<b>6,478</b>	<b>4,277</b>
<b>Non-current liabilities</b>			
Loan due to Group companies	13	56	6,116
Deferred income tax liabilities	7	1,721	1,593
Provision		147	-
<b>Total non-current liabilities</b>		<b>1,924</b>	<b>7,709</b>
<b>Total liabilities</b>		<b>8,402</b>	<b>11,986</b>
<b>Net assets</b>		<b>50,774</b>	<b>46,611</b>
<b>Equity</b>			
Share capital	8	59,702	59,702
Translation reserve		54	(2,874)
Retained deficit		(8,982)	(10,217)
<b>Total equity</b>		<b>50,774</b>	<b>46,611</b>

The accompanying notes form part of these financial statements.

**Inmarsat New Zealand Limited**  
**Statement of Changes in Equity**  
**For the year ended 31 December 2022**

<b>(NZD in thousands)</b>	<b>Ordinary share capital</b>	<b>Share option reserve</b>	<b>Translation Reserve</b>	<b>Retained Deficit</b>	<b>Total</b>
<b>Balance at 1 January 2021</b>	<b>59,702</b>	-	<b>(5,161)</b>	<b>(11,941)</b>	<b>42,600</b>
<i>Comprehensive income:</i>					
Profit for the year	-	-	-	1,724	1,724
Other comprehensive income	-	-	2,287	-	2,287
<b>Balance at 31 December 2021</b>	<b>59,702</b>	-	<b>(2,874)</b>	<b>(10,217)</b>	<b>46,611</b>
<i>Comprehensive income:</i>					
Profit for the year	-	-	-	1,234	1,234
Other comprehensive income	-	-	2,928	-	2,928
<b>Balance at 31 December 2022</b>	<b>59,702</b>	-	<b>54</b>	<b>(8,982)</b>	<b>50,773</b>

The accompanying notes form part of these financial statements.

**Inmarsat New Zealand Limited**  
**Statement of Cash Flows**  
**For the year ended 31 December 2022**

(NZD in thousands)	Notes	2022	2021
<b>Cashflow from operating activities</b>			
Profit for the year		1,234	1,724
<b>Adjusted for:</b>			
Income tax charge		(508)	699
Depreciation	11	8,884	7,329
Amortisation	12	16	13
Interest expenses		352	305
Loss on disposals of assets		154	-
Provision		147	-
Decrease in trade and other receivables		(11,849)	(8,679)
(Increase) / decrease in accounts payable and accruals		(405)	2,484
<b>Cash flow from operating activities</b>		<b>(1,975)</b>	<b>3,875</b>
Tax received / (paid)		2,000	(2,000)
<b>Net cashflow from operating activities</b>		<b>25</b>	<b>1,875</b>
<b>Cashflow from investing activities</b>			
Purchase of property, plant and equipment		(25)	(2,136)
Purchase of intangible assets		-	-
<b>Net cash used in investing activities</b>		<b>(25)</b>	<b>(2,136)</b>
<b>Cashflow from financing activities</b>			
<b>Net cash generated from financing activities</b>		-	-
<b>Net increase in cash and cash equivalents held</b>		-	<b>(261)</b>
<b>Cash and cash equivalents</b>			
At the beginning of the year		-	259
Net change in cash and cash equivalents		-	(259)
<b>At the end of the year</b>		-	-

The accompanying notes form part of these financial statements.

# Inmarsat New Zealand Limited

## Notes to the Financial Statements

### For the year ended 31 December 2022

#### 1. General information

The financial statements represent the accounts of Inmarsat New Zealand Limited ("INZL" or the "Company"). The Company is a profit-oriented company domiciled in New Zealand and registered under the Companies Act 1993. The ultimate controlling party of the Company is Connect Topco Limited which is an entity based in Guernsey. The results of the Company are consolidated into Connect Topco Limited (the 'Group'). The immediate parent company is Inmarsat New Ventures Limited ("INVL") and Inmarsat Global Limited, both based in the United Kingdom and registered in England and Wales.

On 30 May 2023, Viasat, Inc. completed the acquisition of Connect Topco Limited ('Group') which resulted in Viasat, Inc. acquiring control of the Group. See note 19 for further details.

Until 30 May 2023, the ultimate controlling party of Inmarsat New Zealand Limited (the 'Company') was Connect Topco Limited (the 'Group') which is an entity based in Guernsey. From completion of the transaction on 30 May 2023, the ultimate controlling party and parent of the Group is Viasat, Inc., which is an entity based in the United States.

Connect Topco Limited's registered office address is Redwood House, St Julian's Avenue, St Peter Port, GY1 1WA, Guernsey. The address of Viasat, Inc's registered office is 6155 El Camino Real Carlsbad, California 92009

The company's principal activity is to own and operate a land earth station in Auckland, New Zealand.

#### 2. Statement of accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented unless otherwise stated.

##### Basis of preparation

The financial statements of the Company are presented and prepared in accordance with generally accepted accounting practice in New Zealand ("NZ GAAP") and the requirements of the Companies Act 1993 and the Financial Reporting Act 2013. The general accounting policies recognized as appropriate for the measurement and reporting of results and the financial position under the historical cost method have been followed in the preparation of these financial statements.

These financial statements are presented in New Zealand dollars (rounded to the nearest thousand dollars) as the Company is required to prepare its corporate tax returns in New Zealand dollars. However, the Company's functional currency is United States ("US") dollars since the majority of the Company's sales transactions are conducted in US dollars. For the purposes of financial statement presentation, the US dollar results are translated into New Zealand dollars as at average exchange rate for the year for profit and loss related transactions. Assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Gains and losses due to currency fluctuations on these items are included in other comprehensive income and accumulated as a separate component of equity within the foreign currency translation reserve.

##### Going Concern

In determining whether the Company's financial statements can be prepared on a going concern basis, the Directors' have considered all the factors likely to affect its future development, performance and its financial position. At 31 December 2022 the Company has positive net current assets of \$19,917k (2021: \$18,792k) and generated a profit after tax of \$1,234k for the year then ended (2021: profit of \$1,724k). The financial report has been prepared on the going concern basis. The Company has performed an assessment of whether going concern assumption is appropriate in the light of current economic conditions and all available information about future risks and uncertainties. The Company is part of the Connect Bidco Limited Group ('Bidco'), ultimately owned by Connect Topco Limited. The going concern review completed at the date of signing the Bidco accounts is set out within the Connect Bidco Limited 2022 annual report with relevant extract below.

**Inmarsat New Zealand Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2022**

**2 Statement of accounting policies (continued)**

*In order to confirm that the business should adopt the going concern basis in preparing the consolidated financial statements for 2022, the Board and Management have considered compliance with banking covenants, ability to generate future profits and positive cash flows, business risks and the completed acquisition by Viasat Inc. The Group has a robust and resilient business model, positive free cash flow generation, and is compliant with all banking covenants. As at 31 December 2022, the Group has \$1,042.9 million of liquid resources (Cash: \$233.8 million, short-term deposits: \$109.1 million, undrawn RCF: \$700.0 million) and a continued expectation that the Group will generate positive free cash flow and reduce leverage over the medium to long term. On 8 November 2021 the Connect Topco shareholders accepted an offer from Viasat Inc. to purchase the Group for approximately \$7.3 billion. On 30 May 2023 Viasat, Inc. completed the acquisition of the Company which resulted in Viasat, Inc. acquiring control of the Group. See note 35 (of Connect Bidco 2022 annual report) for further details.*

*The Board and Management have also considered a number of possible scenarios and their impact on future revenues, EBITDA and liquidity. Under all scenarios there continues to be sufficient headroom to the Financial Performance Covenant under the debt agreements. The Group has assessed the future compliance through most recently approved budget, which has considered the maturity profile of the existing debt facilities and the \$700 million undrawn revolving credit facility as discussed in note 20 (of Connect Bidco 2022 annual report).*

At the date of signing these financial statements the Directors have considered all the factors impacting the Company and Bidco's business, including downside sensitivities. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The going concern basis has been adopted as the Company has received a letter confirming continuing financial support from Bidco, while the Company remains part of the Group, to allow the Company to meet its liabilities for at least 12 months from the date of signing these financial statements. Also the Group holds cash on behalf of the Company as part of a daily cash sweep arrangement. The Company is also reliant on the continued supply of satellite services from the Group.

Based on the above, the Company continues to adopt the going concern basis in preparing the 2022 financial statements.

**Statement of compliance and reporting framework**

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). These financial statements comply with New Zealand Equivalents to International Financial Reporting Standards Reduced Disclosure Regime (NZ IFRS RDR). For the purposes of complying with NZ IFRS (RDR), the Company is eligible as it does not have public accountability and it is not a large for-profit public sector entity. The company has taken advantage of the available disclosure concessions.

The financial statements were authorized for issue by the Directors on 30 June 2023.

**Significant accounting policies**

The following accounting policies, which significantly affect the measurement of financial performance and financial position, have been applied:

*(i) Foreign currencies*

All foreign currency transactions during the year are translated into the functional currency (being the US dollar) using the exchange rates in effect at the dates of the transactions. Foreign currency monetary items at the reporting date are translated at the exchange rates existing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss in the period in which they arise.

*(ii) Property, plant and equipment*

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss. Only costs which are directly attributable to the acquisition and placing the assets into productive use are capitalized. Assets under construction are carried at cost with no depreciation charged whilst in the course of construction. The assets will be transferred to the appropriate segment and depreciated over the life of the asset once it becomes operational and placed into service.

**Inmarsat New Zealand Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**2. Statement of accounting policies (continued)**

Depreciation

Depreciation is charged on a straight-line basis so as to write off the cost of the property, plant and equipment, except land, to their estimated residual value over their expected useful lives. The estimated useful lives are as follows:

Buildings	20 to 50 years
Space segment	3 to 15 years
Services equipment, fixtures and fittings	3 to 15 years

Freehold land is not depreciated.

*(iii) Taxation*

The Company follows the liability method of accounting for deferred taxation.

The taxation charge against the surplus for the period is the estimated liability in respect of that surplus after allowance for permanent differences. This is the comprehensive basis for the calculation of deferred taxation.

Deferred taxation benefits attributable to timing differences or losses carried forward are recognized in the financial statements to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

The profit and loss component of the statement of comprehensive income has been prepared so that all components are stated exclusive of Goods and Sales Tax ('GST'). All items in the balance sheet are stated net of GST, with the exception of trade and other receivables and prepayments and accounts payable and accruals, which include GST invoiced.

*(iv) Intangible assets*

Intangible assets comprise spectrum rights, and software.

Intangible assets arise from separate purchases and internally-generated assets. Internally-generated intangible assets are recognised only if all the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be reliably measured.

Research costs related to internally generated intangible assets are expensed in the year that the expenditure is incurred.

Intangible assets with a finite useful life are amortised on a straight-line basis over the life of the asset and the amortisation period and method are reviewed each financial year. Intangible assets with an indefinite life are reviewed annually for impairment. The estimated useful lives are as follows:

Software	3 to 8 years
Spectrum rights, orbital slots and licenses	3 to 10 years

*(v) Borrowing costs*

Borrowing costs directly attributable to the construction of assets which take a considerable period of time to get ready for intended use are capitalized against the cost of qualifying property, plant and equipment and amortized to profit or loss on the same basis as the underlying assets.

*(vi) Employee benefits*

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

**Inmarsat New Zealand Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**2. Statement of accounting policies (continued)**

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date.

*(vii) Financial assets*

On initial recognition, the Company classifies its financial assets as financial assets measured at fair value and subsequently measured at amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets. Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount.

The Company's financial assets measured at amortised cost comprise trade and other receivables, including prepaid and accrued income in the statement of financial position. Carrying values recognised approximate fair value.

Financial assets are subsequently measured at amortised cost using the effective interest method.

The Company stratifies trade debtors based on internal credit ratings. The Company calculates the loss allowance for trade receivables and contract assets based on lifetime expected credit losses under the IFRS 9 simplified approach. A provisioning matrix based on internal debtor credit ratings has been used in order to calculate the lifetime loss allowances for each grouping. Debtors have been grouped based on ageing and each debtor's internal credit rating. This rating is a measure from A to E (with E being the highest risk of default) and considers the debtors financial strength, history and magnitude of past defaults, personal credit history with the Company and the associated level of sovereign and market risk. The information used in assigning ratings is both historical and forward looking as regular contact with debtors is maintained to understand if there is any additional risk forecast. Specific allowances are made to reflect any additional risk identified.

*(viii) Financial liabilities*

The Company measures all financial liabilities initially at fair value less transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise accounts payable & accruals & note payable in the statement of financial position. Carrying values recognised approximate fair value.

*(ix) Impairment of assets*

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Inmarsat New Zealand Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**2. Statement of accounting policies (continued)**

(x) *Payables*

Trade payables and other accounts payable are recognized when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

(xi) *Cash and cash equivalents*

Cash and cash equivalents consist of cash on hand, balances with banks, and investments in money market instruments with original maturities of less than 90 days that are readily convertible to known amounts of cash and are subject to an insignificant risk of a material change in value.

(xii) *Revenue recognition*

Service revenue

Mobile satellite communications service revenues result from utilisation charges that are recognised as revenue over the minimum contract period. The selection of the method to measure progress towards completion requires judgement and is based on the nature of the products or services to be provided. Because of control transferring over time, revenue is recognised based on the extent of progress towards completion of the performance obligation.

The nature of the contracts within the Company may give rise to variable consideration. This is estimated as the most likely amount based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available and is included in the transaction price to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur.

Interest income is recognised using the effective interest method.

(xiii) *Standards and interpretations effective in the current period*

In the current financial year, the company adopted the new or amended NZ-IFRS that are mandatory for application. Changes to the company's accounting policies have been made as required.

The adoption of these new or amended standards did not result in substantial changes to the company's accounting policies and had no material effect on the amounts reported for the current financial year.

**3. Critical Accounting Estimates and key judgements**

*Key sources of estimation uncertainty:*

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting period may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. There are no key assumptions or sources of estimation uncertainty, which have a significant effect on the amounts recognised in the financial statements.

*Critical Judgements in applying the Company's accounting policies:*

There have been no critical judgements, that the Directors have made in the process of applying the Company's accounting policies, which have a significant effect on the amounts recognised in financial statements.

**4. Service Revenue**

<b>(NZD in thousands)</b>	<b>2022</b>	<b>2021</b>
Intercompany sales - parent company	14,215	8,110
Intercompany sales - other related parties	-	3,926
External sales	3,439	3,061
<b>Total service revenue</b>	<b>17,654</b>	<b>15,097</b>

Revenue disaggregation has been based on revenue counterparty. There is one primary geographical region.

**Inmarsat New Zealand Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**5. Profit for the year**

Costs are presented by the nature of the expense to the Company. Network and satellite operation costs comprise costs to third parties for network service contracts and services. Audit fees were paid to Deloitte LLP. No non-audit fees were paid during the year (2021: 21k).

Profit before income tax has been arrived at after charging the following expenses and losses from operations:

<b>(NZD in thousands)</b>	<b>2022</b>	<b>2021</b>
Net foreign exchanges loss	(5)	1
Audit of the financial statements - Deloitte LLP	(25)	(24)
	<b>(30)</b>	<b>(23)</b>

**6. Employee benefit costs**

<b>(NZD in thousands)</b>	<b>2022</b>	<b>2021</b>
Wages and salaries	1,248	1,445
Social security costs	48	37
Defined contribution pension plan costs	28	25
Other staff costs	257	23
<b>Total employee benefit costs</b>	<b>1,581</b>	<b>1,530</b>

**7. Income tax charge**

The income tax expense has been calculated as follows:

<b>(NZD in thousands)</b>	<b>2022</b>	<b>2021</b>
Profit before income tax	726	2,423
<b>Income for tax purposes</b>	<b>726</b>	<b>2,423</b>
Income tax at 28%	203	679
Plus:		
Attributable to exchange rate movement	-	(40)
Adjustment to prior period	(922)	(155)
Expenses not deductible for tax	211	215
<b>Income tax charge</b>	<b>(508)</b>	<b>699</b>

Income tax charge is represented by:

Current income tax charge	93	(16)
Deferred tax charge	(601)	715
<b>Total</b>	<b>(508)</b>	<b>699</b>

The tax effects of temporary differences which give rise to deferred tax assets and liabilities are as follows:

<b>(NZD in thousands)</b>	<b>2022</b>	<b>2021</b>
Property, plant and equipment	2,361	2,266
Employee benefits	(114)	(111)
Provisions	(68)	(79)
Tax losses	(457)	(483)
<b>Total deferred tax liability</b>	<b>1,721</b>	<b>1,593</b>

**Inmarsat New Zealand Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**8. Paid in capital**

(NZD in thousands)	2022	2021
<b>Issued and paid in capital:</b>		
1 January 2001 – 100 ordinary shares	55,743	55,743
1 January 2001 – 20 ordinary shares	3,653	3,653
31 December 2014 – 139 ordinary shares	23,785	23,785
30 January 2015 – 7 ordinary shares	1,269	1,269
	<b>84,450</b>	<b>84,450</b>
<b>Redeemed:</b>		
29 April 2009 – 50 ordinary shares	(24,748)	(24,748)
<b>Total paid in capital</b>	<b>59,702</b>	<b>59,702</b>

All ordinary shares rank equally with one vote attached to each fully paid ordinary share and share equally in dividends and surpluses on winding up.

**9. Accounts payable and accruals**

(NZD in thousands)	Notes	2022	2021
<b>Current</b>			
Accounts payable and accruals		2,381	2,723
Amount payable to related parties	15	3,869	1,293
Due to parent company	15	228	261
<b>Total</b>		<b>6,478</b>	<b>4,277</b>

**10. Trade and other receivables**

(NZD in thousands)	Notes	2022	2021
Trade and other receivables		1,092	915
Amounts receivable from related parties	15	2,025	5,949
Due from parent company	15	23,178	13,997
Prepayments		84	80
<b>Total</b>		<b>26,379</b>	<b>20,941</b>

**Inmarsat New Zealand Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**11. Property, plant and equipment**

(NZD in thousands)	Freehold land and building	Services equipment, fixtures and fittings	Space segment	Assets in the course of construction	Total
<b>Cost:</b>					
<b>Balance as of 31 December 2020</b>	<b>3,179</b>	<b>2,884</b>	<b>85,376</b>	<b>5,211</b>	<b>96,650</b>
<b>Balance as of 31 December 2021</b>	<b>3,341</b>	<b>3,014</b>	<b>95,688</b>	<b>1,375</b>	<b>103,418</b>
Additions	-	-	-	3,514	3,514
Disposals	-	(592)	-	(154)	(746)
Transfers from assets in the course of construction	-	-	1,201	(1,201)	-
Effect of translation*	257	231	7,368	103	7,959
<b>Balance as of 31 December 2022</b>	<b>3,598</b>	<b>2,653</b>	<b>104,257</b>	<b>3,636</b>	<b>114,144</b>
<b>Accumulated depreciation:</b>					
<b>Balance as of 31 December 2020</b>	<b>1,966</b>	<b>2,598</b>	<b>53,309</b>	-	<b>57,873</b>
<b>Balance as of 31 December 2021</b>	<b>2,075</b>	<b>2,883</b>	<b>62,959</b>	-	<b>67,917</b>
Depreciation expenses	9	141	8,734	-	8,884
Disposals	-	(592)	-	-	(592)
Effect of translation*	160	220	4,795	-	5,175
<b>Balance as of 31 December 2022</b>	<b>2,244</b>	<b>2,652</b>	<b>76,488</b>	-	<b>81,384</b>
<b>Net book amount at 31 December 2021</b>	<b>1,266</b>	<b>131</b>	<b>32,729</b>	<b>1,375</b>	<b>35,501</b>
<b>Net book amount at 31 December 2022</b>	<b>1,354</b>	<b>1</b>	<b>27,769</b>	<b>3,636</b>	<b>32,760</b>

\*Through foreign currency translation reserve in other comprehensive income

No asset within Property, plant and equipment is pledged as collateral against any loan or commitments (2021: nil).

**12. Intangible Assets**

(NZD in thousands)	Spectrum rights, orbital slots and licenses	Software	Total
<b>Cost:</b>			
<b>Balance as of 31 December 2020</b>	<b>398</b>	<b>434</b>	<b>832</b>
<b>Balance as of 31 December 2021</b>	<b>418</b>	<b>456</b>	<b>874</b>
Disposals	-	(399)	(399)
Effect of translation*	33	42	75
<b>Balance as of 31 December 2022</b>	<b>451</b>	<b>99</b>	<b>550</b>
<b>Accumulated depreciation:</b>			
<b>Balance as of 31 December 2020</b>	<b>383</b>	<b>410</b>	<b>793</b>
<b>Balance as of 31 December 2021</b>	<b>406</b>	<b>441</b>	<b>847</b>
Depreciation expenses	4	12	16
Disposals	-	(399)	(399)
Effect of translation*	31	34	65
<b>Balance as of 31 December 2022</b>	<b>441</b>	<b>88</b>	<b>529</b>
<b>Net book amount at 31 December 2021</b>	<b>12</b>	<b>15</b>	<b>27</b>
<b>Net book amount at 31 December 2022</b>	<b>10</b>	<b>11</b>	<b>21</b>

\*Through foreign currency translation reserve in other comprehensive income

No intangible asset is pledged as collateral against any loan or commitments (2021: nil).

**Inmarsat New Zealand Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**13. Loan due to Group companies**

<b>(NZD in thousands)</b>	<b>Effective interest rate</b>	<b>2022</b>	<b>2021</b>
Loan payable to Inmarsat Global Limited	Libro +5.5%	56	6,116
<b>Total loan payable</b>		<b>56</b>	<b>6,116</b>

On 1 April 2017, the Company made a drawdown of \$USD 27,300k in the form of a loan payable to Inmarsat Global Limited (parent company). This loan is due on 27 November 2024.

During 2022, the balance decreased by \$NZD 6,530k (2021: \$NZD 3,041k increase) which was mainly due to settlements of the intercompany loan of \$NZD6,873k. The remaining movement included capitalised interests and withholding tax payments.

**Intercompany interest expenses:**

<b>(NZD in thousands)</b>	<b>2022</b>	<b>2021</b>
Interest payable	352	305
Interest accrued	-	27

**14. Related party transactions**

The Company's related parties include other Inmarsat entities within the Connect Topco Limited Group. Typically, related party transactions are in the form of parent entity loans, sales, purchases and recharges.

Management believes that all related party transactions were made on an arm's length basis.

The related party transactions have been classified based on those with the Parent Company and those with other related parties controlled by Connect Topco Ltd. The amounts are non-interest bearing and have no set terms of repayment, except for loan payable to Inmarsat Global Limited as per Note 14.

There were no related party debts written off or forgiven during the year.

Sale of goods to related parties is disclosed in Note 4, related party payables and receivables outstanding at 31 December 2021 are disclosed within Notes 9 and 10 respectively, and related party Loan & Interest is disclosed in Note 14.

The Company's key management personnel, as stated in the Directory, did not receive remuneration for their services as directors of the Company up to the date of signing the accounts.

Additional related party transactions include:

<b>(NZD in thousands)</b>	<b>2022</b>	<b>2021</b>
<b>Purchases of goods and services:</b>		
From parent company	2,423	709
From other parent group entities	19	153
<b>Disposals of assets under construction:</b>		
To parent company	-	(193)
<b>IC disposals of Space Segment:</b>		
To other parent group entities	-	(556)

**Inmarsat New Zealand Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**15. Purchase commitments**

The Company has the following purchase commitments, relating to future obligations to purchase space segment capacity:

<b>(NZD in thousands)</b>	<b>At 31 December 2022</b>	<b>At 31 December 2021</b>
Within one year	2,551	237
<b>Total</b>	<b>2,551</b>	<b>237</b>

**16. Contingencies**

The Company has no contingent liabilities (2021: \$NZD nil).

**17. Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of cash and cash equivalents (which is held in intercompany loans given the cash pooling within the Group), and equity, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

Management reviews the capital structure on a regular basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Management will recommend balancing the overall capital structure through the payment of dividends, new share issues, and share redemptions, as well as the issue of new debt or the redemption of existing debt. The strategy remains unchanged from the prior year.

**18. Subsequent events**

On 8 November 2021 Viasat Inc and Inmarsat announced a definitive agreement under which Viasat will acquire Inmarsat in a transaction then valued at \$7.3 billion, comprised of \$850 million in cash (reduced to \$551 million, post prior distribution to shareholders) approximately 46.36 million shares of Viasat common stock valued at \$3.1 billion based on the closing price on Friday November 5, 2021, and the assumption of \$3.4 billion of net debt.

On 30 May 2023, the transaction was completed and Viasat, Inc. acquired Connect Topco Limited (Group). Under the terms of the purchase agreement, at the closing of the transaction, Group's shareholders received an aggregate of \$551 million in cash, subject to adjustments, and approximately 46.36 million shares of common stock. The cash portion of the purchase price was reduced from \$850 million to \$551 million after the Group paid a \$299 million special dividend to its shareholders in April 2022. The shares issued to Group's shareholders at the closing represent an aggregate of approximately 37.6% of the total shares of Viasat common stock on a fully diluted basis, with no Group shareholder receiving shares representing 10% or more.

There have been no other significant events which would require disclosure in the 31 December 2022 financial statements.