

# EuropaSat Limited

(Registered Number: 06001119)

**Annual Report and Financial Statements  
For the year ended 31 December 2023**

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# EuropaSat Limited Strategic Report For the year ended 31 December 2023

## Principal activities

EuropaSat Limited (the 'Company') is principally involved in the operation and support of S-band satellite communications. The Company is part of the Connect Topco Limited group of companies (the 'Group') – which now forms a part of Viasat, Inc. Refer to note 1 for details.

## Review of business

The results for the period are shown in the Income Statement on page 4. For the year ended 31 December 2023, the Company returned a loss of \$12.8m (2022: loss of \$8.4m) primarily due to interest payable on intra-group borrowings.

The Directors are of the opinion that the current level of activity and the year-end financial position are satisfactory and will remain so in the foreseeable future.

The loss for the financial year will be transferred to reserves. The Company will continue to be supported by the Group.

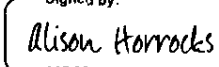
## Principal risks and uncertainties

The Directors of the Group manage the risks at a group level rather than at an individual business unit level. For this reason, the Company's Directors believe that a discussion of the Group's risks would be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's 2023 Annual Report, which does not form part of this report.

## Key performance indicators

The Directors of the Group manage the Group's operations on a business sector basis. For this reason, the Company's Directors believe that an analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company's business. The development, performance and position of the Group are discussed in the Group's 2023 Annual Report, which does not form part of this report.

Approved by the Board and signed on its behalf by:

Signed by:  
  
63BCDBF93A3D451  
**Alison Horrocks**  
Company Secretary

26 September 2024

## **EuropaSat Limited Directors' Report For the year ended 31 December 2023**

### **Directors' Report**

The Directors submit their annual report and the financial statements for EuropaSat Limited for the year ended 31 December 2023.

### **Directors and their interests**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

- Alison Claire Horrocks
- Jason Stewart Smith (appointed 30 November 2023)
- Alison Charlotte Conway (resigned 30 November 2023)

No Director had during the year or at the end of the year any material interest in any contract of significance to the Company's business.

### **Principal activities**

EuropaSat Limited is principally involved in the operation and support of S-band satellite communications. The Company is part of the Connect Topco Limited group of companies – which now forms a part of Viasat, Inc. Refer to note 1 for details. The Directors do not envisage any change to the nature of the business in the foreseeable future.

### **Results and Dividends**

The results for the year ended 31 December 2023 was a loss of \$12.8m (2022: loss of \$8.4m) primarily due to interest payable on intra-group borrowings. Results for the financial year are shown in the Income Statement on page 4.

No dividends were paid in the year and the Directors do not recommend a dividend in respect of the current year.

### **Future developments**

The Company intends to continue operating in the area of S-band satellite communications.

### **Financial risk management**

Details of the financial risk management objectives and policies of the Company are given in note 3 to the financial statements.

### **Directors' indemnity**

Each of the Directors benefit from an indemnity given by the Company under its Articles of Association. This indemnity is in respect of liabilities incurred by the Director in the execution and discharge of his or her duties.

### **Events after the balance sheet date**

Details of events after the balance sheet date are given in note 15 to the financial statements.

### **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, including the matters disclosed in the Strategic and Directors' Report. Refer to the going concern analysis included in note 2.

**EuropaSat Limited**  
**Directors' Report**  
**For the year ended 31 December 2023**

**Statement of Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

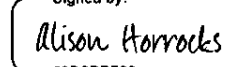
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice under Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that it gives 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 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 a 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.

Approved by the Board and signed on its behalf by:

Signed by:  
  
63BCDBF93A3D451...  
**Alison Horrocks**  
Company Secretary

26

September 2024

**EuropaSat Limited**  
**Income Statement**  
**For the year ended 31 December 2023**

<b>(\$ in millions)</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>	4	<b>14.8</b>	<b>14.7</b>
Other operating costs		(0.1)	(0.1)
Depreciation	9	(13.8)	(13.8)
<b>Operating profit</b>		<b>0.9</b>	<b>0.8</b>
Financing costs	6	(16.9)	(11.4)
<b>Loss before income tax</b>	5	<b>(16.0)</b>	<b>(10.6)</b>
Taxation credit	7	3.2	2.2
<b>Loss for the year</b>		<b>(12.8)</b>	<b>(8.4)</b>

For the years ended 31 December 2023 and 2022, there were no other comprehensive income items, therefore a Statement of Comprehensive Income has not been presented. All results are from continuing operations.

The accompanying notes are an integral part of the financial statements.

**EuropaSat Limited**  
**Balance sheet**  
**As at 31 December 2023**

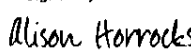
(\$ in millions)	Notes	As at 31 December 2023	As at 31 December 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	120.6	134.4
<b>Total non-current assets</b>		<b>120.6</b>	<b>134.4</b>
<b>Current assets</b>			
Trade and other receivables	10	15.1	22.7
Current income tax asset	12	12.2	1.4
<b>Total current assets</b>		<b>27.3</b>	<b>24.1</b>
<b>Total assets</b>		<b>147.9</b>	<b>158.5</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	163.9	3.8
<b>Total current liabilities</b>		<b>163.9</b>	<b>3.8</b>
<b>Non-current liabilities</b>			
Other payables	11	-	166.9
Deferred income tax liabilities	12	17.0	8.0
<b>Total non-current liabilities</b>		<b>17.0</b>	<b>174.9</b>
<b>Total liabilities</b>		<b>180.9</b>	<b>178.7</b>
<b>Net liabilities</b>		<b>(33.0)</b>	<b>(20.2)</b>
<b>Shareholders' equity</b>			
Ordinary share capital	13	-	-
Capital contribution	14	6.9	6.9
Accumulated deficit		(39.9)	(27.1)
<b>Total shareholders' equity</b>		<b>(33.0)</b>	<b>(20.2)</b>

The accompanying notes form part of these financial statements.

**Audit exemption statement**

For the year ended 31 December 2023, the Company was entitled to an 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 and Inmarsat Group Holdings Limited, acting as a parent undertaking, has provided a guarantee to the Company under section 479C of the Act. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements of EuropaSat Limited, registered number 06001119, were approved by the Board of Directors on 26 September 2024 and signed on its behalf by:

Signed by:  
  
 Alison Horrocks  
 Director

**EuropaSat Limited**  
**Statement of Changes in Equity**  
**As at 31 December 2023**

(\$ in millions)	Ordinary share capital	Contributed capital	Accumulated deficit	Total
<b>Balance at 31 December 2021</b>	-	6.9	(18.7)	(11.8)
<i>Comprehensive Income:</i>				
Loss for the period	-	-	(8.4)	(8.4)
<b>Balance at 31 December 2022</b>	-	6.9	(27.1)	(20.2)
<i>Comprehensive Income:</i>				
Loss for the period	-	-	(12.8)	(12.8)
<b>Balance at 31 December 2023</b>	-	6.9	(39.9)	(33.0)

Capital contribution relates to a 2013 waiver of intergroup debt. The amount is non distributable.

The accompanying notes form part of these financial statements.

## **EuropaSat Limited**

### **Notes to the Financial Statements**

### **As at 31 December 2023**

#### **1. General information**

EuropaSat Limited is principally involved in the operation and support of S-band satellite communications. It is a private company limited by shares incorporated in England and Wales under the Companies Act 2006 and registered and domiciled in England and Wales. The address of its registered office is 50 Finsbury Square, London EC2A 1HD.

On 30 May 2023, Viasat, Inc. completed the acquisition of Connect Topco Limited which resulted in Viasat, Inc. acquiring control of the Group.

Until 30 May 2023, the ultimate controlling party of EuropaSat Limited was Connect Topco Limited 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 immediate parent company is Inmarsat New Ventures Limited based in the United Kingdom. The smallest and largest group into which the results of the Company are consolidated are headed by Inmarsat Group Holdings Limited and Viasat, Inc. respectively.

#### **2. Material accounting policies**

##### **Basis of preparation**

The financial statements have been prepared in accordance with FRS 101. FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of IFRS. The company meets the definition of a qualifying entity under *Financial Reporting Standard 100 'Application of Financial Reporting Requirements'* issued by the Financial Reporting Council ('FRC'). The financial statements have, therefore, been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures have been given in the accounts of Connect Bidco Limited ("Bidco").

The financial statements have been prepared on the historical cost basis. These policies have been applied consistently to all the years presented unless otherwise stated.

##### **Going concern**

The Company has performed an assessment of whether the going concern assumption is appropriate in 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 – which forms part of Viasat, Inc. The going concern of the Company is reliant on Bidco's financing facilities and Bidco has provided a letter of support to the Company. The going concern review completed at the date of signing the Bidco accounts is set out within the Connect Bidco Limited 2023 annual report with relevant extract following.

## **EuropaSat Limited**

### **Notes to the Financial Statements**

### **As at 31 December 2023**

#### **2. Material accounting policies (continued)**

*In order to confirm that the business should adopt the going concern basis in preparing the consolidated financial statements for 2023, the Board and Management have considered compliance with banking covenants, ability to generate future profits and positive cash flows, and the business risks. 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 2023, the Group has \$1,015.2m of liquid resources (Cash: \$285.2m, short-term deposits: \$30.0m, undrawn RCF: \$700.0m) and a continued expectation that the Group will generate positive free cash flow and reduce leverage over the medium to long term. The undrawn RCF of \$700.0m expires in November 2024, the Group refinanced the facility on 28th March 2024, refer to note 35 (of the Connect Bidco Limited 2023 annual report) for further details. 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. The going concern assessment has been performed using the Group financial performance and position.*

*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 continues to have sufficient headroom to the Financial Performance Covenant under the debt agreements. The Group has assessed the future compliance through the 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 the Connect Bidco Limited 2023 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.

Based on the above, the Company continues to adopt the going concern basis in preparing the 2023 financial statements.

#### **Basis of accounting**

The financial statements are presented in US dollars which is the functional currency of the company. The preparation of the financial statements is in conformity with FRS 101.

#### **Foreign currency translation**

The functional currency of the Company and most of the Group's subsidiaries and the presentation currency of the Group is the U.S. Dollar, as the majority of operational transactions are denominated in U.S. Dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions and the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are recognised in the Income Statement line which most appropriately reflects the nature of the items or transactions.

#### **Revenue recognition**

The Company performs support services for the Group in return for an income equal to the qualifying cost plus mark-up.

#### **Financing income and financing cost**

Financing income comprises interest receivable on funds invested. Financing costs comprise interest payable on borrowings.

## **EuropaSat Limited**

### **Notes to the Financial Statements**

### **As at 31 December 2023**

#### **2. Material accounting policies (continued)**

##### **Financial assets**

###### *Trade and other receivables*

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. The Company calculates the loss allowance for trade receivables based on lifetime expected credit losses under the IFRS-9 simplified approach.

##### **Financial liabilities and equity**

###### *Trade and other payables*

Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method.

###### *Borrowings*

Borrowings, comprising intercompany loans, are initially recorded at fair value which equates to the proceeds received, net of direct transaction and arrangement costs. They are subsequently held at amortised cost.

There are no external borrowings. Intercompany borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

##### **Current tax**

The tax currently receivable is based on taxable loss for the year. Taxable loss differs from net loss as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's asset for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred income tax**

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary deductible differences or tax losses carried forward can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

##### **Property, plant and equipment**

###### *General*

Property, plant and equipment assets are initially recognised at cost and subsequently treated under the cost model at cost less accumulated depreciation and any accumulated impairment losses.

**EuropaSat Limited**  
**Notes to the Financial Statements**  
**As at 31 December 2023**

**2. Material accounting policies (continued)**

*Space segment assets*

Space segment assets comprise satellite construction, launch and other associated costs, including ground infrastructure. Expenditure charged to space segment projects include invoiced progress payments, amounts accrued as appropriate to the stage of completion of contract milestones, external consultancy costs and direct internal costs. Internal costs, comprising primarily of staff costs, are only capitalised when they are directly attributable to the construction of an asset. Progress payments are determined on milestones achieved to date together with agreed cost escalation indices.

*Capitalised borrowing costs*

The Company incurs borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale and capitalises these borrowing costs as part of the cost of the asset. Capitalisation commences when the Company begins to incur the borrowing costs and related expenditures for the asset, and when it undertakes the activities that are necessary to prepare the asset for its intended use or sale. Capitalisation of borrowing costs ceases when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

*Depreciation*

Depreciation is calculated to write-off the historical cost less residual value, if any, of fixed assets, except land, on a straight-line basis over the expected useful lives of the assets concerned. The Company selects its depreciation rates and residual values carefully and reviews them annually to take account of any changes in circumstances. When setting useful economic lives, the principal factors the Company takes into account are the expected rate of technological developments, expected market requirements for the equipment and the intensity at which the assets are expected to be used.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Space Segment, including ground infrastructure	-	5-12 years
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**Impairment reviews**

All assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment may include changes in technology and business performance. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable and independent cash flows, these are known as cash generating units. An impairment loss is recognised in the Income Statement whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, 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.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Impairment losses in respect of goodwill are not reversed.

**EuropaSat Limited**  
**Notes to the Financial Statements**  
**As at 31 December 2023**

**2. Material accounting policies (continued)**

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

In the process of applying the Company's accounting policies, certain judgements have been made. This includes:

*Useful economic lives*

The useful lives of the Company's property, plant and equipment and intangible assets are determined by management at the time the asset is acquired and reviewed at least annually for appropriateness. The lives are based on the expected rate of technological developments, expected market requirements for the equipment, the intensity at which the assets are expected to be used, historical experience with similar assets as well as anticipation of future events, which may impact their life.

## EuropaSat Limited

### Notes to the Financial Statements

#### As at 31 December 2023

### 3. Financial risk management

#### **Financial risk factors**

The Company's debt financing is currently all intercompany and so is not exposed to all the same financial risks associated with external borrowings, namely the effects of changes in debt market prices, credit risks, liquidity risks and interest rates. The Company does not have in place its own risk management programme. Instead it falls under Bidco's risk management programme that seeks to limit the adverse effects on the financial performance of the Group as a whole by using forward exchange contracts to limit exposure to foreign currency risk and interest rate swaps to reduce the impact of fluctuating interest rates on its floating rate long-term debt.

The Board of Directors of the Group has delegated to the treasury department the responsibility for setting and implementing the financial risk management policies applied by the Group and therefore the Company. The treasury department has a policy and procedures manual that sets out specific guidelines for managing foreign exchange risk, interest rate risk and credit risk. The Group and Company does not hold or issue derivative financial instruments for speculative or trading purposes.

#### **(a) Market risk**

##### *(i) Foreign exchange risk*

The functional currency of EuropaSat Limited is the US Dollar. However, the Company operates internationally, total expenditure being denominated in currencies other than the US Dollar are 0.3% (2022: 1%). None (2022: \$nil) of the Company's operating costs are denominated in Pounds Sterling. The Company's exposure needs to be carefully managed to avoid variability in future cash flows and earnings caused by volatile foreign exchange rates.

##### *(ii) Price risk*

The Company is not exposed to significant equity securities price risk or commodity price risk.

#### **(b) Interest rate risk**

Given the Company has no significant interest-bearing assets (except amounts due from Group companies), income and operating cash flows are substantially independent of changes in market interest rates. The Company's borrowings are predominantly intercompany and have both fixed interest rate and variable interest rates. The financial risk associated with the variable market rates is managed centrally at a Group level, refer to the Connect Bidco Group Annual Report for further information.

#### **(c) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum exposure to credit risk is \$13.6m (2022: \$22.7m), comprising amounts mainly due from fellow Group companies (see note 10). This exposure to credit risk is limited because the counterparties are fellow Group companies.

#### **(d) Liquidity risk**

The Company is exposed to liquidity risk with respect to its contractual obligations resulting in financial liabilities. This risk is managed by the Group along with other risks faced by the Group. Prudent liquidity risk management implies maintaining sufficient cash and short-term deposits and the availability of funding through an adequate amount of committed credit facilities.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

### 4. Revenue

(\$ in millions)	2023	2022
Revenue from operations	14.8	14.7
<b>Total</b>	<b>14.8</b>	<b>14.7</b>

The Company performs support service to the Group and all the revenue of the Company is intercompany.

**EuropaSat Limited**  
**Notes to the Financial Statements**  
**As at 31 December 2023**

**5. Loss before income tax**

Loss before tax of \$16.0m (2022: loss before tax of \$10.6m) is stated after the interest expense on the intercompany loan with Inmarsat Global Limited.

**Auditor's remuneration**

The company was not subject to an audit in 2023 and did not incur an audit fee (2022: \$nil).

**Employees and Directors**

None of the Directors received any emoluments in respect of their services to the Company in the years ended 31 December 2023 and 2022.

The Company had no directly employed staff during the years ended 31 December 2023 and 2022.

**6. Financing costs**

(\$ in millions)	2023	2022
Intercompany interest payable	16.9	11.4
<b>Net financial costs</b>	<b>16.9</b>	<b>11.4</b>

**7. Taxation**

Tax credit recognised in the Income Statement:

(\$ in millions)	2023	2022
<b>Current tax:</b>		
Current year	12.2	1.4
<b>Total current tax credit</b>	<b>12.2</b>	<b>1.4</b>
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(9.0)	0.8
<b>Total deferred tax expenses</b>	<b>(9.0)</b>	<b>0.8</b>
<b>Total tax credit</b>	<b>3.2</b>	<b>2.2</b>

**Reconciliation of effective tax rate:**

(\$ in millions)	2023	2022
<b>Loss before tax</b>	<b>(16.0)</b>	<b>(10.6)</b>
Income tax at 23.5% (2022: 19%)	3.8	2.0
Adjustments in respect of prior periods	(0.1)	-
Impact of deferred tax rate differences	(0.5)	0.2
<b>Total tax credit</b>	<b>3.2</b>	<b>2.2</b>

**8. Dividends**

No dividends were paid in the years ended 31 December 2023 or 2022 and the Directors do not recommend a dividend in respect of the year ended 31 December 2023.

**EuropaSat Limited**  
**Notes to the Financial Statements**  
**As at 31 December 2023**

**9. Property, plant and equipment**

(\$ in millions)	Space Segment
<b>Cost:</b>	
Balance as of 1 January 2023	206.8
Balance as of 31 December 2023	206.8
<b>Accumulated depreciation:</b>	
Balance as of 1 January 2023	(72.4)
Charge for the year	(13.8)
Balance as of 31 December 2023	(86.2)
<b>Net book amount at 1 January 2023</b>	<b>134.4</b>
<b>Net book amount at 31 December 2023</b>	<b>120.6</b>

The lives assigned to significant tangible fixed assets are:

Space segment assets, including ground infrastructure: 5-12 years

**10. Trade and other receivables**

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
<b>Current:</b>		
Amount due from Group undertakings	15.1	22.7
<b>Total</b>	<b>15.1</b>	<b>22.7</b>

The Directors consider the carrying value of trade and other receivables is approximate to their fair value.

**11. Trade and other payables and borrowings**

(\$ in millions)	As at 31 December 2023	As at 31 December 2022
<b>Current:</b>		
Amount due to Group undertakings	3.9	3.8
Loan due to Group undertakings	160.0	-
<b>Total</b>	<b>163.9</b>	<b>3.8</b>
<b>Non-Current:</b>		
Loan due to Group undertakings	-	166.9
<b>Total</b>	<b>-</b>	<b>166.9</b>

The Directors consider the carrying value of trade and other payables is approximate to their fair value.

The loan due to Group undertakings is repayable in November 2024 and incurs interest at 3-month SOFR +5%. As there was no signed amendment to extend the loan as at year end, this has been classified as current.

## EuropaSat Limited

### Notes to the Financial Statements

#### As at 31 December 2023

#### 12. Current and deferred tax assets and liabilities

The current tax asset of \$12.2m (2022: \$1.4m) represents the income tax receivable in respect of current and prior periods, less amounts paid.

#### Recognised deferred tax liabilities

The movements in deferred tax liabilities (prior to the offsetting of balances within the same jurisdiction as permitted by IAS-12) during the period are shown below:

	As at 31 December 2023	As at 31 December 2022
(\$ in millions)	Assets / (liabilities)	Assets / (liabilities)
Property, plant and equipment and intangible assets	(18.1)	(19.4)
Borrowing costs capitalised in the cost of qualifying assets	(2.3)	(2.3)
Losses	3.4	13.7
<b>Net deferred income tax liabilities</b>	<b>(17.0)</b>	<b>(8.0)</b>

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The value of deferred income tax assets and liabilities included in the net deferred income tax balance is shown below:

	As at 1 January 2023	Recognised in income statement	As at 31 December 2023
(\$ in millions)			
Property, plant and equipment and intangible assets	(19.4)	1.3	(18.1)
Borrowing costs capitalised in the cost of qualifying assets	(2.3)	-	(2.3)
Losses	13.7	(10.3)	3.4
<b>Net deferred income tax liabilities</b>	<b>(8.0)</b>	<b>(9.0)</b>	<b>(17.0)</b>

	As at 1 January 2022	Recognised in income statement	As at 31 December 2022
(\$ in millions)			
Property, plant and equipment and intangible assets	(20.0)	0.6	(19.4)
Borrowing costs capitalised in the cost of qualifying assets	(2.5)	0.2	(2.3)
Losses	13.7	-	13.7
<b>Net deferred income tax liabilities</b>	<b>(8.8)</b>	<b>0.8</b>	<b>(8.0)</b>

From 1 April 2023, the main rate of corporation tax increased from 19% to 25%. The income tax rate used for 2023 is a blended rate of 23.5% accounting for the change throughout the year.

#### 13. Share capital

	As at 31 December 2023	As at 31 December 2022
(\$ in millions)		
<b>Allotted, issued and fully paid:</b>		
1 ordinary share of £1 each (2022: £1)	-	-

**EuropaSat Limited**  
**Notes to the Financial Statements**  
**As at 31 December 2023**

**14. Contributed capital**

<b>(\$ in millions)</b>	<b>As at 31 December 2023</b>	<b>As at 31 December 2022</b>
Contributed capital	6.9	6.9

Capital contribution relates to a 2013 waiver of intergroup debt.

**15. Events after the balance sheet date**

There have been no significant events which would require disclosure in the 31 December 2023 financial statements.