

Registered number 07964746

SATELLITE APPLICATIONS CATAPULT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 MARCH 2013



CATAPULT
Satellite Applications

SATELLITE APPLICATIONS CATAPULT LIMITED
(A Company Limited by Guarantee)

COMPANY INFORMATION

DIRECTORS

T Sherwood (appointed 8 October 2012)
S Martin (appointed 23 April 2013)
R Bryan (appointed 13 September 2012)
T Just (appointed 22 January 2013)
C Mealing-Jones (appointed 20 February 2013)
L Patmore (appointed 23 April 2013)
S Hunt (appointed 23 April 2013)
R Pinto (appointed 23 April 2013)
G Hutchins (appointed 8 October 2012 & resigned 19 February 2013)
M Garnett (appointed 24 February 2012 & resigned 13 September 2012)

COMPANY SECRETARY

C M Stait

REGISTERED NUMBER

07964746

REGISTERED OFFICE

Electron Building, Fermi Avenue
Harwell Science and Innovation Campus
Didcot
Oxfordshire
OX11 0QR

INDEPENDENT AUDITORS

James Cowper LLP
Chartered Accountants and Statutory Auditors
2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

SATELLITE APPLICATIONS CATAPULT LIMITED
(A Company Limited by Guarantee)

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SATELLITE APPLICATIONS CATAPULT LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE PERIOD ENDED 28 MARCH 2013

The directors present their report and the financial statements for the period ended 28 March 2013

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The Satellite Applications Catapult Ltd is a private company limited by guarantee and was incorporated in February 2012 as a not for profit research organisation. It commenced operations in January 2013.

World class innovation centre

The Company has been established to become a world-class innovation centre for the development and commercial exploitation of space and satellite-based products and services.

Collaborative environment

The Company aims to create an accessible collaborative environment, it will bring together expertise, facilities, businesses, researchers and end-users to develop new applications. The aim is to widen the use of satellite technology and capability (such as imagery, navigation and communications) to businesses who have not yet considered space technology as relevant to their growth and development.

Targeting SMEs

The Company will focus on helping SMEs overcome two specific challenges identified at key stages of their corporate development – the commercialisation and exploitation of intellectual property.

Network of Catapults

The Company forms part of a network of seven UK technology and innovation companies (named 'Catapults') established by the Technology Strategy Board. These will drive economic growth through commercialisation of research between UK industry, SMEs and academia.

Sources of income

The Company is currently funded by a government grant. In addition, it will seek to generate income from collaborative projects with industry and other grant funding organisations, and direct contract research.

FINANCIAL RESULTS

Grant income for the period was £4.3 million of which £2.9 million was invested in fixed assets. The excess of income over expenditure was £2.8 million before tax.

During the period the Company has established its innovation centre at the Oxford Harwell Campus, hired a senior management team, invested in fixed assets and held a number of preliminary idea generating events.

The Company has chosen to adopt FRS 102 early.

DIRECTORS

The directors who served during the period were:

T Sherwood (appointed 8 October 2012)

R Bryan (appointed 13 September 2012)

T Just (appointed 22 January 2013)

C Mealing-Jones (appointed 20 February 2013)

G Hutchins (appointed 8 October 2012 & resigned 19 February 2013)

M Garnett (appointed 24 February 2012 & resigned 13 September 2012)

SATELLITE APPLICATIONS CATAPULT LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE PERIOD ENDED 28 MARCH 2013

KEY PERFORMANCE INDICATORS

The Company was officially launched post the year end on 14 May 2013. Therefore there was no reporting of KPIs in the period. In future periods the Company will report a wide range of KPIs including

- Value of grant funding received
- Value of collaborative projects
- Value of contract research
- Number of employees
- Number of projects undertaken
- SME involvement

PRINCIPAL RISKS AND UNCERTAINTIES

The most significant risk for the Company is that government funding is reduced. At the balance sheet date, £9m of funding to the end of July 2013 was in place and a commitment for a further five years at £10m per year had been agreed by the Technology Strategy Board.

The Company monitors cash flow as part of its day to day control procedures. The Board considers cash flow projections on a regular basis and ensures that appropriate funds are available as necessary.

The Company has a detailed risk register which the Board reviews on a regular basis and actions are taken to mitigate risk where practicable.

FUTURE DEVELOPMENTS

The UK space economy is currently worth £9.1bn and directly employs 29,000 people. The market has grown by approximately 9% pa over the last 10 years and is projected to increase to £40bn as the UK grows its market share to 10% of the £400bn global space market predicted by 2030. The Company's vision is to encourage and facilitate innovation and growth in the industry through this period.

The Company is expected to receive £10m a year of core funding over the next five years from the Technology Strategy Board. Additional income is expected to be generated from collaborative and contract research.

POST BALANCE SHEET EVENTS

The Company took control of the International Space Innovation Centre (ISIC), an innovation and collaboration company, on 29 March 2013. The business and assets were sold to the Company on 30 May in return for the assumption of liabilities, resulting in an increase in Net Assets of £6.4m. ISIC assets comprise state-of-the-art facilities, including the Climate for Environmental Monitoring from Space (CEMS) facility, an Operations Centre, a Security and Resilience Centre, a Visualisation Suite and a Spark Centre. The Company will continue to invest in these assets to underpin its core objectives.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE PERIOD ENDED 28 MARCH 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 judgments 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.

DISCLOSURE OF INFORMATION TO AUDITORS

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


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

AUDITORS

The auditors, James Cowper LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *21st NOVEMBER 2013*

and signed on its behalf


T Sherwood
Director

SATELLITE APPLICATIONS CATAPULT LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SATELLITE APPLICATIONS CATAPULT LIMITED

We have audited the financial statements of Satellite Applications Catapult Limited for the period ended 28 March 2013, set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as revised for Financial Reporting Standard 102.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 28 March 2013 and of its surplus for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice as revised for Financial Reporting Standard 102, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SATELLITE APPLICATIONS CATAPULT LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or



Sue Staunton MA ACA CF (Senior Statutory Auditor)

for and on behalf of
James Cowper LLP

Chartered Accountants

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date *21 November 2013.*

SATELLITE APPLICATIONS CATAPULT LIMITED
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 MARCH 2013

	Note	Period ended 28 March 2013 £
INCOME	4	4,122,937
Administrative expenses		<u>(1,339,115)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		2,783,822
Tax on surplus on ordinary activities	8	<u>(955)</u>
SURPLUS FOR THE FINANCIAL PERIOD		<u><u>2,782,867</u></u>

All amounts relate to continuing operations

The Company had no income or expenses during the period that are not disclosed in the above statement
Consequently, this statement represents total comprehensive income

The notes on pages 10 to 18 form part of these financial statements

SATELLITE APPLICATIONS CATAPULT LIMITED

(A Company Limited by Guarantee)
REGISTERED NUMBER 07964746

**STATEMENT OF FINANCIAL POSITION
AS AT 28 MARCH 2013**

	Note	2013 £	£
FIXED ASSETS			
Tangible assets	9		2,783,822
CURRENT ASSETS			
Debtors	10	2,554,162	
Cash at bank		<u>172,350</u>	
		2,726,512	
CREDITORS amounts falling due within one year	11	<u>(2,727,467)</u>	
NET CURRENT LIABILITIES			<u>(955)</u>
NET ASSETS			<u><u>2,782,867</u></u>
CAPITAL AND RESERVES			
Income and expenditure account	12		<u>2,782,867</u>
	13		<u><u>2,782,867</u></u>

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


T Sherwood
Director

Date 21st NOVEMBER 2013

The notes on pages 10 to 18 form part of these financial statements

SATELLITE APPLICATIONS CATAPULT LIMITED

(A Company Limited by Guarantee)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 28 MARCH 2013**

	Note	Period ended 28 March 2013 £
OPENING MEMBERS' FUNDS		_____ -
SURPLUS FOR THE FINANCIAL PERIOD		2,782,867
AS AT 28 MARCH 2013		<u>2,782,867</u>

The notes on pages 10 to 18 form part of these financial statements

SATELLITE APPLICATIONS CATAPULT LIMITED
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 28 MARCH 2013

	Note	Period ended 28 March 2013 £
Operating activities		
Surplus on ordinary activities before taxation	14	2,783,822
Depreciation of tangible fixed assets	14	78,169
Increase in debtors	14	(2,554,162)
Increase in creditors	14	2,726,512
Cash flow from operating activities		<u>3,034,341</u>
Investing activities		
Purchase of fixed assets	15	(2,861,991)
Cash flow from investing activities		<u>(2,861, 991)</u>
INCREASE IN CASH IN THE PERIOD		<u><u>172,350</u></u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		172,350
Cash and cash equivalents at start of period		<u>-</u>
Cash and cash equivalents at end of period		<u><u>172,350</u></u>

The notes on pages 10 to 18 form part of these financial statements

SATELLITE APPLICATIONS CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2013

1. ACCOUNTING POLICIES

1.1 Principal accounting policies

The company was incorporated on 24 February 2012 as a not for profit research organisation and the financial period runs from this date to 28 March 2013

The principal accounting policies applied 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.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of Financial Reporting Standard (FRS) 102. The directors confirm that the financial statements comply with the requirements of FRS 102. The directors also believe that the company meets the definition of a Public Benefit Entity.

The preparation of financial statements, in conformity with FRS 102, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in note 3.

1.3 Early adoption of FRS 102

In accordance with paragraph 1.14 of the standard, the directors have elected to early adopt the FRS 102 in the preparation of the financial statements for the period ended 28 March 2013.

1.4 Going concern

The Company is operating under an interim funding agreement with the Technology Strategy Board (TSB). This agreement provides grant funding for the Company, initially for the set-up period but with the intention that a further five year period of funding will be available. Funding has been provided to enable the Company to build and maintain capability.

In the short to medium term, the directors are confident that the grant income receivable will be sufficient to meet the operational needs of the business.

It is the strategy of the directors that, in time, grant funding will be supplemented by collaborative research and development projects and directly purchased contract research such that grant funding would, in the long term, represent approximately one third of the total income generated.

1.5 Government grants

Income recorded in the financial statements is represented entirely by government grants received or receivable. The Company has elected to apply the performance model when accounting for government grants.

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

SATELLITE APPLICATIONS CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2013

1 ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	Over 5 or 8 years
Fixtures & fittings	-	Over 8 years
Office equipment	-	Over 3 or 8 years
Computer equipment	-	Over 3 years
Improvements to property	-	Over 10 years or the lease term, if shorter

1.7 Operating leases

Leases are classified as being finance leases where the Company considers that substantially all the risks and rewards incidental to ownership are transferred. Leases are classified as being operating leases where the risks and rewards incidental to ownership are not substantially transferred.

Where a lease is identified as being finance in nature, a lease asset at an amount equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, determined at the inception of the lease is recognised alongside a corresponding liability.

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

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

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be a suitable taxable surplus from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

A deferred tax liability is not recognised in respect of capital grants included within income in the current period as it is considered that any timing differences are permanent and will not reverse over time.

1.9 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the period.

SATELLITE APPLICATIONS CATAPULT LIMITED

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2013

1 ACCOUNTING POLICIES (continued)

1 10 Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument

1.11 Provisions

Provisions are recognised in the statement of financial position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation

2 COMPANY INFORMATION

Satellite Applications Catapult Limited is company limited by guarantee and was incorporated in England and Wales on 24 February 2012

A detailed description of the nature of the Company's operations and of its principal activities, is disclosed within the business review section of the Director's Report

The registered and trading address of the Company is detailed below

Electron Building
Fermi Avenue
Harwell Science and Innovation Campus
Didcot
Oxfordshire
OX11 0QR

3 ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

The recognition of income arising from government grants has been carefully considered to ensure compliance with the requirements of the performance based approach permitted under FRS 102. Grant agreements have been scrutinised to ensure that all performance conditions have been fully met prior to recognition in the financial statements

4 INCOME

The whole of the income is attributable to government grants received or receivable under the Company's interim funding agreement with the TSB. This is further detailed in note 17 to the financial statements

	2013
	£
TSB funding	<u><u>4,122,937</u></u>

SATELLITE APPLICATIONS CATAPULT LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2013**

5. SURPLUS

The surplus is stated after charging

	Period ended 28 March 2013 £
Depreciation of tangible fixed assets - owned by the Company	78,169
Auditors' remuneration	<u>7,750</u>

6 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	Period ended 28 March 2013 £
Wages and salaries	99,185
Social security costs	10,848
	<u>110,033</u>

The average monthly number of employees, including the directors, during the period was as follows

	Period ended 28 March 2013 No
Administration and finance	4
Technology and innovation	3
	<u>7</u>

7 DIRECTOR'S REMUNERATION

	Period ended 28 March 2013 £
Remuneration	<u>7,500</u>

SATELLITE APPLICATIONS CATAPULT LIMITED

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2013**

8 TAXATION

**Period ended
28 March
2013
£**

UK corporation tax charge on surplus for the period

955

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 24%. The differences are explained below

**Period ended
28 March
2013
£**

Surplus on ordinary activities before taxation

2,783,822

Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 24%

668,117

Effects of

Capital grants not taxable

(668,117)

Expenses not deductible for tax purposes

955

Current tax charge for the period

955

Factors that may affect future tax charges

There were no factors that may affect future tax charges

SATELLITE APPLICATIONS CATAPULT LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2013**

9. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Office equipment £	Computer equipment £	Improvements to property £	Total £
Cost						
Additions	<u>261,996</u>	<u>111,052</u>	<u>124,264</u>	<u>2,205,706</u>	<u>158,973</u>	<u>2,861,991</u>
At 28 March 2013	<u>261,996</u>	<u>111,052</u>	<u>124,264</u>	<u>2,205,706</u>	<u>158,973</u>	<u>2,861,991</u>
Depreciation						
At 24 February 2012	-	-	-	-	-	-
Charge for the period	<u>3,334</u>	<u>988</u>	<u>2,324</u>	<u>63,441</u>	<u>8,082</u>	<u>78,169</u>
At 28 March 2013	<u>3,334</u>	<u>988</u>	<u>2,324</u>	<u>63,441</u>	<u>8,082</u>	<u>78,169</u>
Net book value						
At 28 March 2013	<u>258,662</u>	<u>110,064</u>	<u>121,940</u>	<u>2,142,265</u>	<u>150,891</u>	<u>2,783,822</u>

10. DEBTORS

	2013 £
Other debtors	748,342
Prepayments and accrued income	1,805,820
	<u>2,554,162</u>

**11 CREDITORS:
Amounts falling due within one year**

	2013 £
Trade creditors	2,326,177
Corporation tax	955
Accruals and deferred income	400,335
	<u>2,727,467</u>

SATELLITE APPLICATIONS CATAPULT LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 28 MARCH 2013**

12 RESERVES

	Income and expenditure account £
Surplus for the period	2,782,867
At 28 March 2013	<u>2,782,867</u>

13 RECONCILIATION OF MOVEMENT IN MEMBERS' FUNDS

	2013 £
Opening members' funds	-
Surplus for the financial period	<u>2,782,867</u>
Closing members' funds	<u>2,782,867</u>

14 NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 28 March 2013 £
Surplus on ordinary before taxation	2,783,822
Depreciation of tangible fixed assets	78,169
Increase in debtors	(2,554,162)
Increase in creditors	2,726,512
	<u>3,034,341</u>
Net cash inflow from operating activities	<u>3,034,341</u>

15 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	Period ended 28 March 2013 £
Capital expenditure and financial investment	
Purchase of tangible fixed assets	<u>(2,861,991)</u>

SATELLITE APPLICATIONS CATAPULT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2013

16 ANALYSIS OF CHANGES IN NET DEBT

	24 February 2012 £	Cash flow £	Other non-cash changes £	28 March 2013 £
Cash at bank and in hand	-	172,350	-	172,350
Net funds	-	172,350	-	172,350

17. CONTINGENT LIABILITIES

The Technology Strategy Board have funded The Satellite Applications Catapult via grants during the year. An amount of £2,261,000 was granted as grant in advance of need. Upon expiry or, in the event that the agreement is terminated, this element of the grant is to be immediately repaid as specified under the terms of the agreement.

18 FINANCIAL INSTRUMENTS

	2013 £
Financial assets	
Floating rate interest bearing – cash	172,350
Other debtors	748,342
Accrued income	1,640,954
Financial liabilities	
Trade creditors	2,326,177

There is no material difference between the book value of financial assets and liabilities noted above, and their fair value.

The Company's financial assets and liabilities comprise cash and liquid resources, and various items, such as trade receivables and trade payables that arise directly from its operations. The Company has no undrawn borrowing facilities. The Company is not exposed to significant foreign exchange risk.

The Company does not enter into instruments for speculative purposes. The Company is exposed to credit risk predominantly from trade receivables and cash and cash equivalents held with banks.

The Company currently has little or no exposure to bad debts due to its current stage of development.

Sensitivity analysis has not been performed as any impact is considered immaterial.

SATELLITE APPLICATIONS CATAPULT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 28 MARCH 2013

19 FINANCIAL COMMITMENTS

At 28 March 2013 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings 2013 £	Other 2013 £
Within 1 year	559,200	-
Between 1 and 2 years	<u>559,200</u>	<u>-</u>

20 COMPANY STATUS

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

21 RELATED PARTY TRANSACTIONS

During the year the Company was a member of The International Space Innovation Centre (ISIC), a company limited by guarantee and was recharged expenses of £54,270 by it. At the year end the outstanding balance was £4,565.

22 POST BALANCE SHEET EVENTS

On 29 March 2013, all members of ISIC, with the exception of the Satellite Applications Catapult, resigned. From this date ISIC became a subsidiary of the Company. On 30 May 2013, the trade and assets of ISIC were sold to the Company in exchange for the assumption of its liabilities.

23 CONTROLLING PARTY

The Company has no one controlling party.