

Registered number: 07964746

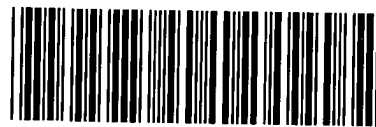
SATELLITE APPLICATIONS CATAPULT LIMITED

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

COMPANY INFORMATION

Directors

Simon Acland
Chad Anderson
Caroline Artis (appointed 1 June 2022)
Sanjay Bhandari (appointed 1 July 2021)
Craig Clark (appointed 1 June 2022)
Benedetto Conversano (appointed 1 June 2022)
Lucy Edge
Susan Hunt (resigned 30 April 2022)
William Hutton (resigned 18 July 2022)
Dr Vanessa Lawrence CB
Stuart Martin
Stewart Miller (appointed 1 July 2021)
Lynne Patmore
Timothy Sherwood (resigned 27 August 2021)
Richard Tuffill (resigned 29 July 2022)

Registered number

07964746

Registered office

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

Independent auditor

Crowe U.K. LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL

SATELLITE APPLICATIONS CATAPULT LIMITED
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SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The Group's mission is:
"To innovate for a better world, empowered by space."

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

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

- **Commercial growth of the UK Space sector:** by supporting the commercial revenue and job growth of the sector.
- **Regionally balanced UK space sector growth:** by delivering the opportunity and benefits of space across UK regions.
- **Enhancements to environmental and social sustainability, productivity, and quality of life:** by supporting improved performance of the sector and supporting development of space enabled solutions for UK and global challenges.

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

Over the last year, the importance given to space by UK Government (HMG) has been demonstrated through the integrated review and the UK's first National Space Strategy, alongside a Defence Space Strategy, published in February 2022. The National Space Strategy has established a powerful framework for the UK to use for action and growth.

The opportunity in space is vast and we are evolving toward scaling up our ambition and impact for the UK at a time when the space sector is at an exciting juncture. We are now positioned to capitalise on the advances in low earth orbit (LEO) constellations to drive benefits from net zero to re-imagined transportation systems. Alongside this, an in-orbit economy is developing, with transformational new prospects for delivering benefits to earth from space-based solar power (SBSP) to new materials manufactured in microgravity. Launch costs and volumes will change by orders of magnitude over the next decade advancing a new era in the way we use space and all it can deliver to earth. We are seeing this transition starting now with investments from the US and China toward commercial space stations and the moon.

There is also a strong drive towards new forms of partnership, bringing BEIS, UKSA and other key space organisations in the UK together on important UK priorities. The role of the Catapult is going to be key in developing ways to bring private and international capital toward UK objectives. Our commercially focussed and iterative approaches play to UK strengths and can create an advantageous differentiator compared with other countries. Ambition in space can drive innovation across multiple sectors and bring significant acceleration to R&D investment.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Business Review

Activities during the year have been built on and incorporate the experiences gained in our previous years of trading. All our work has strong focus on UK business growth, and some of the highlights include:

HRH, The Prince of Wales attended a roundtable at the Catapult's National In-Orbit Servicing and Control Centre to garner a broad coalition of support to ensure the ongoing and sustainable use of space for the benefit of humankind. Attendees included: George Freeman MP, Parliamentary Under Secretary of State at BEIS; Paul Bate, CEO of the UK Space Agency; John Auburn, Managing Director of Astroscale Ltd; Neil Masterson, CEO of OneWeb and Lucy Edge, COO at the Satellite Applications Catapult.

The successful DCMS-funded **5G RuralDorset project** has completed the deployment of infrastructure on the Jurassic Coast, with 5G backhaul provided by our Future Networks Development Centre in Westcott. The project is now exploring sustainable future operation models and use cases.

The **space cluster at Westcott** will be celebrating the opening of three new facilities. The new In-Orbit Servicing and Manufacturing (**IOSM**) facility is nearing completion, with initial operational capability in June 2022, and discussions are ongoing with potential users of the facility. The **Healthy Living Lab** at Westcott is ready to move into the new Building 4000 on the site and has developed links with Kidderminster Hospital allowing the expansion of work on connectivity and new applications and solutions supported by reliable connectivity. The **Agri Living Lab**, which is also moving into the new Building 4000, has signed a collaboration agreement with Harper Adams University and agreed an operating model for the facility.

Astroscale used our **In-Orbit Servicing and Control Centre** to launch its ELSA-d satellite in March 2021. In November 2021, Astroscale raised \$109m, and in May 2021 won a £32m grant from UKSA to develop a full-service Active Debris Removal offering with OneWeb.

The **Space Energy Initiative (SEI)** was officially launched in Westminster on 10 March at an event hosted by Mark Garnier MP, and with appearances from the Executive Director of UN Habitat, Maimunah Mohd Sharif, George Freeman MP and space, energy and finance industry representatives. The SEI will now establish an entity in order to seek private and public funding.

An **MOU was signed with Aramco** in January 2022 during the visit to Saudi Arabia of the Rt Hon Kwasi Kwarteng the Secretary of State for Business, Energy, and Industrial Strategy. This MOU makes the Catapult the conduit to the UK Catapult Network for LAB7, which opens opportunities for innovative projects from the UK to be funded by Aramco and has the potential to be a major source of revenue for UK innovation.

Regionally, we completed assessments for 3 new **space clusters** this year: the Leeds/Yorkshire region cluster, a North West cluster, and an extension of the Surrey/SE cluster; officially launched our **Space Enterprise Community** at a Regional Networking Event on 9 June 2021; and have launched 11 new **Space Enterprise Labs** around the country.

We launched our **Space Commercialisation Engine** at Leicester Space Park in October, which is a new business support programme driven and delivered by us, aimed at accelerating innovative and commercially viable earth observation (EO) ideas into the market; for businesses of all sizes.

During **COP26**, we launched the Space Sector Coalition to promote Net Zero for the UK Space Sector – our initiative to bring UK space sector companies onboard towards a commitment to a Net Zero sector by 2030. We also ran a plenary event at the COP26 virtual pavilion alongside events with Devex and the Commonwealth of Nations, focussing on our work on the CommonSensing project.

Our work on position, navigation, and timing (PNT) with **OneWeb** has reached the final stage of development concluding at the end of March 2022. The Catapult successfully demonstrated to VPs within OneWeb the capability of the timing service we have been developing and how we can feedback timing adjustment.

SATELLITE APPLICATIONS CATAPULT LIMITED
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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Our **Pipeline Stimulation Programme** has grown to include Brazil, India, Turkey, South Africa and New Zealand, and is looking at a wide range of potential applications of satellite technology including supply chains, Agriculture, connectivity, sustainability and climate resilience.

The ongoing pandemic has slowed space sector growth to 0.2% in the UK. However, with the overall UK economy shrinking by 9.9% over the same period, this demonstrates the robustness of the sector against a backdrop of major economic turmoil. Our sector continues to over-perform and our major achievements this year ensure we are well placed to grow and continue to support the UK space sector over the coming 5 years.

Strategic Focus and Priorities

The Group's strategy for the period FY19 to FY23 sets out our mission, *"to innovate for a better world empowered by space"*, an ambitious vision for making the UK the most space enabled economy, and to deliver £1.7bn in direct and indirect benefits to the UK.

Continuing to drive through our plans is key to the continued emergence and growth of the UK space sector. This means tackling the three limiting factors that are addressed through the three mutually reinforcing pillars of our strategy:

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

Empowering the Technology

The continued opportunities for the Catapult to empower technology are abundant due to the acceleration of mega constellation trends, the UK investment in OneWeb, new opportunities in the space sector based on robotics and advanced manufacturing, such as assembly of large structures in space for communications, microgravity, and energy, government interest in energy from space, a rising demand for connectivity, and rapid advances in adjacent technologies such as AI, material science, and robotics. These opportunities and our ability to deliver on them are magnified through our continued collaborative partnerships with academia and industry, as well as working together with other Catapults across the UK Catapult Network.

Continuing the implementation of our long-term technology roadmap, our focus this year in empowering technology will be on:

- Capitalising on UK OneWeb Investment: Building on the R&D programme with OneWeb to demonstrate a timing solution, we will work to move this toward a commercial service. This has strong interest across major government stakeholders and next year will see development of an electronically steerable antenna for the timing service.
- Accelerating the embedding of satellite connectivity into 5G: We will continue to develop and capitalise on our three 5G testbeds which have won numerous awards over the past year. Our living labs in both Health and Agri will also continue to bring the benefits of satellite connectivity to new customers.
- Opening scalable routes to market for geospatial intelligence (GI) and driving toward a new future: We will build on the successful launch of our Space Commercialisation Engine (SCE) to enable opportunities for UK businesses into major commercial clients including establishing an executive education programme for non-space sector organisations.

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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

- Positioning the UK for commercial opportunities in the in-orbit economy such as microgravity, assembly and manufacture in space, and space energy: Following our successful Re-imagining Space campaign, our activities to drive commercial growth in space will accelerate.
- Building out our Disruptive Innovation from Space Capability (DISC) capabilities: The DISC programme has seen major developments at Wescott, where we will be delivering a drone port development centre and completing the IOSM facility which will include in-orbit simulation robots and advanced additive manufacturing equipment such as the recently acquired MetalFab1 Additive Manufacturing System – the first 3D printer designed for building rocket engines.

Enabling Business

Our planned activities are grouped under the three programme headings: Scale-Up Support, Regional Growth and New Supply Chains. Each of these brings together the efforts of several teams in collaborative ways to achieve the intended results.

There have been some business successes over the last year and the UK now has a number of space unicorns, including OneWeb and Arqit. However, structural issues remain, including a lack of medium sized business and the lack of UK space primes. These will be important areas of attention in FY23.

Growing the space sector and grasping the big opportunities ahead requires increased awareness, confidence and risk appetite in investing in space. The Catapult will play an important role in bringing sovereign and private capital together to generate new investment at scale, including infrastructure investment, international and private finance, and from other sectors like energy and health.

Our regional programme is expected to play an increasingly significant role in our work to support economic growth for the Space sector. The existing regional space clusters and hubs act as local points of contact to the space sector. They will play a growing role to unlock local and national support and embed themselves as an essential part of their local innovation landscape. We will build on the cluster strategy insights gathered to date and help shape local space leadership and governance at each location. Through our ongoing partnership with UKSA we will continue to unlock opportunities for those locations with the highest potential for growth and strong links to an adjacent sector aligned to our value streams.

From an ecosystem and supply chain perspective, there is a real opportunity to bring businesses from adjacent sectors toward the space sector as part of this (e.g. manufacturing, robotics, automotive and maritime etc). We will place a strong emphasis on distributional aspects to ensure that our business scale-up support drives regional growth across the UK.

Energising the Market

During FY23, we will continue to scale out benefits realisation and market growth opportunities and engage with end-user non-space markets to stimulate new concepts, use cases and business.

Work will continue on development of uses of microgravity for manufacturing, developing new opportunities arising from connectivity from mega-constellations, including transforming transportation, and opening commercial demand for geospatial solutions with a focus on sustainable finance. We will bring new sectors towards space, including major areas like energy and health, and particularly focus on Space for Sustainability, building on the strong impetus generated by COP26.

Agri-Tech - In agri-tech we will create demand and interest for space-enabled products by establishing upstream space and agri linkages, engaging with other initiatives, exploring Net Zero environmental monitoring linkages, and continued engagement with projects such as ForestMind and the Pipeline Stimulation Programmes in emerging markets.

SATELLITE APPLICATIONS CATAPULT LIMITED
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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Extractive Industries - Within the scope of our extractive industries focus, we will partner to create the world's first independent tailings monitoring centre. Through Catapult intervention we will demonstrate the value of space in tailings monitoring, and secure follow-on work under a programme enabling opportunities for UK space sector companies.

Health, Wellbeing, and Emergency Services - we will support businesses to use the Healthy Living Lab through sprints, spark sessions, and networking events as well as through services offered with the intention of accelerating and productising the support we offer.

International Development and Humanitarian (IDH) sector - Engagements with the UK FCDO will focus on raising awareness of satellite-enabled geospatial data and technologies. The IDH team will continue to develop our relationship with the FCDO network to promote the benefits and opportunities for satellite-enabled geospatial data and technologies.

Net Zero - Building on work initiated through the Catapult's Year of Climate project and attention drawn to sustainability activities by COP26, the Net Zero Space Coalition will support the sector to decarbonise through collaborations and sharing best practice for innovative approaches to mitigating carbonisation activities.

Internally, the Catapult will be progress towards our **Journey to Net Zero** by 2030. FY23 will see the collection and analysis of the Catapult's internal emissions data and the creation of a roadmap to achieve our net zero targets.

Sustainable Finance - Within Sustainable Finance initiatives, we will build on previous work with the Centre for Greening Finance and Investment (CGFI) and ClIFF around asset level data to expand datasets to other sectors with large environmental impacts.

Transport and Infrastructure sectors - During FY22, our transport team has tested a number of systems related to UAVs, and in FY23 we will work with a range of technology providers to create the most effective system for different applications. We will move from small scale localised testing of UAV technology to create viable crafts that are suitable for a range of operations, from freight to search and rescue and possibly even passenger flight.

Principal risks and uncertainties

Details of the principal risks and uncertainties facing the Group are included in the report of the directors.

SATELLITE APPLICATIONS CATAPULT LIMITED
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GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Financial key performance indicators

		2022	2021	% Change	2022
	Key Performance Indicator	Actual	Actual	vs 2021	Target
1	Innovate UK core funding claimed (£'m)	15.0	12.7	18%	15.0
2	Collaborative income (£'m)	10.6	8.9	19%	11.0
3	Commercial income (£'m)	4.9	2.6	88%	4.0
4	Utilisation of assets (%)	33%	27%	22%	50%
5	Funding raised by business clients supported (£'m)	247.9	74.2	234%	35.0

Definitions

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

Gender information

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

As at the year end, the group employed:

	Male	Female
Directors	7	4
Senior Managers	23	8
Employees	80	68

This report was approved by the board on

and signed on its behalf.


Stuart Martin
Chief Executive Officer

07.09.2022

SATELLITE APPLICATIONS CATAPULT LIMITED
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £4,212,507 (2021 - £1,380,994).

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

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

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

SATELLITE APPLICATIONS CATAPULT LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Directors

The Directors who served during the year were:

Simon Acland
Chad Anderson
Sanjay Bhandari (appointed 1 July 2021)
Lucy Edge
Susan Hunt (resigned 30 April 2022)
William Hutton (resigned 18 July 2022)
Dr Vanessa Lawrence CB
Stuart Martin
Stewart Miller (appointed 1 July 2021)
Lynne Patmore
Timothy Sherwood (resigned 27 August 2021)
Richard Tuffill (resigned 29 July 2022)

Future developments

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

Principal risks and uncertainties

The prolonged Brexit process and the current Covid-19 pandemic have both weighed on the funding and financial performance of the Group and continue to create uncertainty for the economy as a whole. While the space sector is not immune to this, recent government statements in support of the sector, and research and development in general, provide encouragement that there will be opportunities in the future for the Catapult to play a key role in supporting the continued growth of the sector.

Nevertheless, the most significant risk for the Group continues to be a reduction in government funding or a material change in government policy. To provide mitigation against this risk, the Group has diversified the sources of funding for its research and development projects and other commercial streams.

The Group monitors cash flow as part of its day-to-day control procedures. The directors consider cash flow projections on a regular basis and ensures that appropriate funds are available, as necessary. Additional scrutiny of cash flow projections has been considered during the current Covid-19 pandemic.

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

Qualifying third party indemnity provisions

Qualifying third party indemnity insurance was held on behalf of the directors during the year.

SATELLITE APPLICATIONS CATAPULT LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Disclosure of information to auditor

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

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

Post balance sheet events

There are no significant post balance sheet events.

Auditor

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

This report was approved by the board on

and signed on its behalf.



Stuart Martin
Chief Executive Officer

02.09.2022

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Satellite Applications Catapult Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

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

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


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

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

Use of our report

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



Richard Baker (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL
Date: 5 September 2022

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	30,691,995	23,440,112
Gross profit		30,691,995	23,440,112
Administrative expenses		(24,548,348)	(20,296,256)
Depreciation of tangible fixed assets		(1,806,113)	(1,817,590)
Operating profit	6	4,337,534	1,326,266
Profit/(loss) on disposal of investments		-	85,681
Interest receivable and similar income	10	10,148	10,042
Profit before taxation		4,347,682	1,421,989
Tax on profit	11	(135,175)	(40,995)
Profit for the financial year		4,212,507	1,380,994
Unrealised (deficit)/surplus on revaluation of fixed asset investments		(11,210)	21,751
Other comprehensive income for the year		(11,210)	21,751
Total comprehensive income for the year		4,201,297	1,402,745
Profit for the year attributable to:			
Owners of the parent Company		4,212,507	1,380,994
		4,212,507	1,380,994
Total comprehensive income for the year attributable to:			
Owners of the parent Company		4,201,297	1,402,745
		4,201,297	1,402,745

The notes on pages 23 to 45 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 07964746

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	14,623,137	10,601,931
Investments	13	349,303	321,993
		<u>14,972,440</u>	<u>10,923,924</u>
Current assets			
Debtors: amounts falling due after more than one year	14	143,248	415,714
Debtors: amounts falling due within one year	14	11,112,578	9,548,723
Cash at bank and in hand	15	2,792,144	2,647,853
		<u>14,047,970</u>	<u>12,612,290</u>
Creditors: amounts falling due within one year	16	(9,727,331)	(8,536,852)
Net current assets		<u>4,320,639</u>	<u>4,075,438</u>
Total assets less current liabilities		<u>19,293,079</u>	<u>14,999,362</u>
Creditors: amounts falling due after more than one year	17	(1,600,000)	(1,600,000)
Provisions for liabilities			
Deferred taxation	19	(112,540)	(20,120)
		<u>(112,540)</u>	<u>(20,120)</u>
Net assets		<u>17,580,539</u>	<u>13,379,242</u>
Capital and reserves			
Revaluation reserve	20	310,789	321,999
Profit and loss account	20	17,269,750	13,057,243
Equity attributable to owners of the parent Company		<u>17,580,539</u>	<u>13,379,242</u>
		<u>17,580,539</u>	<u>13,379,242</u>

SATELLITE APPLICATIONS CATAPULT LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 07964746

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

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



Stuart Martin
Chief Executive Officer

02.04.2022

The notes on pages 23 to 45 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED

(A company limited by guarantee)

REGISTERED NUMBER: 07964746

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	14,623,137	10,601,931
Investments	13	357,912	330,842
		<u>14,981,049</u>	<u>10,932,773</u>
Current assets			
Debtors: amounts falling due after more than one year	14	-	29,064
Debtors: amounts falling due within one year	14	10,736,336	9,191,206
Cash at bank and in hand	15	2,658,559	2,594,259
		<u>13,394,895</u>	<u>11,814,529</u>
Creditors: amounts falling due within one year	16	(9,922,920)	(8,438,920)
Net current assets		<u>3,471,975</u>	<u>3,375,609</u>
Total assets less current liabilities		<u>18,453,024</u>	<u>14,308,382</u>
Creditors: amounts falling due after more than one year	17	(1,600,000)	(1,600,000)
Provisions for liabilities			
Deferred taxation	19	(112,540)	(20,120)
		<u>(112,540)</u>	<u>(20,120)</u>
		<u>16,740,484</u>	<u>12,688,262</u>
Net assets		<u>16,740,484</u>	<u>12,688,262</u>
Capital and reserves			
Revaluation reserve	20	310,789	321,999
Profit and loss account brought forward		12,366,263	11,107,292
Profit for the year		4,063,432	1,258,971
Profit and loss account carried forward		16,429,695	12,366,263
		<u>16,740,484</u>	<u>12,688,262</u>

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

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

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


Stuart Martin
Chief Executive Officer

02.04.2022

The notes on pages 23 to 45 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2020	300,248	11,676,249	11,976,497
Comprehensive income for the year			
Profit for the year	-	1,380,994	1,380,994
Surplus on revaluation of fixed asset investments	21,751	-	21,751
Other comprehensive income for the year	21,751	-	21,751
Total comprehensive income for the year	21,751	1,380,994	1,402,745
At 1 April 2021	321,999	13,057,243	13,379,242
Comprehensive income for the year			
Profit for the year	-	4,212,507	4,212,507
Deficit on revaluation of fixed asset investments	(11,210)	-	(11,210)
Other comprehensive income for the year	(11,210)	-	(11,210)
Total comprehensive income for the year	(11,210)	4,212,507	4,201,297
At 31 March 2022	310,789	17,269,750	17,580,539

The notes on pages 23 to 45 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2020	283,585	11,107,292	11,390,877
Comprehensive income for the year			
Profit for the year	-	1,258,971	1,258,971
Surplus on revaluation of fixed asset investments	38,414	-	38,414
Other comprehensive income for the year	38,414	-	38,414
Total comprehensive income for the year	38,414	1,258,971	1,297,385
At 1 April 2021	321,999	12,366,263	12,688,262
Comprehensive income for the year			
Profit for the year	-	4,063,432	4,063,432
Deficit on revaluation of fixed asset investments	(11,210)	-	(11,210)
Other comprehensive income for the year	(11,210)	-	(11,210)
Total comprehensive income for the year	(11,210)	4,063,432	4,052,222
At 31 March 2022	310,789	16,429,695	16,740,484

The notes on pages 23 to 45 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	4,212,507	1,380,994
Adjustments for:		
Depreciation of tangible assets	1,806,112	1,817,590
(Profit)/loss on disposal of tangible assets	64,185	(85,681)
Interest received	(10,148)	(10,042)
Taxation charge	135,175	40,995
(Increase) in debtors	(1,324,101)	(1,575,560)
(Decrease)/increase in creditors	(1,006,125)	100,934
Net cash generated from operating activities	3,877,605	1,669,230
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,704,942)	(3,202,008)
Purchase of unlisted and other investments	(38,520)	-
Sale of unlisted and other investments	-	360,682
Interest received	4,366	3,914
Associates interest received	5,782	6,128
Net cash from investing activities	(3,733,314)	(2,831,284)
Net increase/(decrease) in cash and cash equivalents	144,291	(1,162,054)
Cash and cash equivalents at beginning of year	2,647,853	3,809,907
Cash and cash equivalents at the end of year	2,792,144	2,647,853
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,792,144	2,647,853
	2,792,144	2,647,853

The notes on pages 23 to 45 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022**

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Cash at bank and in hand	2,647,853	144,291	2,792,144
Debt due after 1 year	(1,600,000)	-	(1,600,000)
	<u>1,047,853</u>	<u>144,291</u>	<u>1,192,144</u>

The notes on pages 23 to 45 form part of these financial statements.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

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

SATELLITE APPLICATIONS CATAPULT LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Going concern

The Covid-19 pandemic has increased going concern risk. In response, the directors have undertaken an assessment of the Group's expected financial situation for at least twelve months from the date of approval of these financial statements. The assessment has considered available information about the future and the preparation and review of the financial forecasts, revenue expectations, and expenditure obligations. The directors have also considered sensitivity analysis against the key assumptions, which included a scenario with no collaborative or commercial income in the next twelve months.

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

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

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Revenue

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

Grant income

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

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

Rendering of services

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

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

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

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

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

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

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

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

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

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.10 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

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

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

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

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

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

2.11 Revaluation of tangible fixed assets

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

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

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

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.13 Debtors

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

2.14 Cash and cash equivalents

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

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

2.15 Creditors

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

2.16 Provisions for liabilities

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

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

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

SATELLITE APPLICATIONS CATAPULT LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.17 Financial instruments

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

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

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

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

SATELLITE APPLICATIONS CATAPULT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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

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

Recoverability and valuation of the fixed asset investments

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

4. Turnover

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

	2022 £	2021 £
Innovate UK Grant Funding	15,203,570	11,901,374
Collaborative and Commercial Income	15,488,425	11,538,738
	<u>30,691,995</u>	<u>23,440,112</u>

5. Normalised operating surplus

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

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

	2022 £	2021 £
Operating profit	4,337,534	1,326,266
Depreciation and fixed asset impairment	1,806,133	1,817,590
Operating profit before depreciation	<u>6,143,667</u>	<u>3,143,856</u>
Capital grant element of turnover	(5,443,201)	(2,629,828)
Normalised operating surplus before depreciation	<u>700,466</u>	<u>514,028</u>

SATELLITE APPLICATIONS CATAPULT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Research & development charged as an expense	8,358,143	8,960,754
Foreign exchange differences	(32,033)	76,123
Other operating lease rentals	855,543	928,313
	<u>855,543</u>	<u>928,313</u>

7. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	28,000	28,000
	<u>28,000</u>	<u>28,000</u>

Fees payable to the Group's auditor and its associates in respect of:

Taxation compliance services	4,650	3,900
All other assurance services	37,375	28,100
	<u>42,025</u>	<u>32,000</u>

SATELLITE APPLICATIONS CATAPULT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. Employees

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

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Wages and salaries	10,301,337	8,149,890	10,301,337	8,149,890
Social security costs	1,165,694	896,548	1,165,694	896,548
Cost of defined contribution scheme	859,780	712,892	859,780	712,892
	<u>12,326,811</u>	<u>9,759,330</u>	<u>12,326,811</u>	<u>9,759,330</u>

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

	2022 No.	<i>2021 No.</i>
Management & Professional Service	50	42
Business Development, National Capability & Impact	42	27
Technology and Innovation	84	83
	<u>176</u>	<u>152</u>

9. Directors' remuneration

	2022 £	<i>2021 £</i>
Directors' emoluments	736,828	670,629
Group contributions to defined contribution pension schemes	37,445	37,184
	<u>774,273</u>	<u>707,813</u>

During the year retirement benefits were accruing to 3 Directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £262,593 (2021 - £240,581).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £10,000 (2021 - £10,000).

SATELLITE APPLICATIONS CATAPULT LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Interest receivable

	2022 £	2021 £
Share of associates' interest receivable	5,782	6,128
Other interest receivable	4,366	3,914
	<u>10,148</u>	<u>10,042</u>

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	69,123	26,368
Adjustments in respect of previous periods	(26,368)	-
	<u>42,755</u>	<u>26,368</u>
Total current tax	<u>42,755</u>	<u>26,368</u>
Deferred tax		
Origination and reversal of timing differences	92,420	14,627
Total deferred tax	<u>92,420</u>	<u>14,627</u>
Taxation on profit on ordinary activities	<u>135,175</u>	<u>40,995</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	4,347,682	1,421,989
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	826,060	270,178
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	33,000	666
Depreciation on assets ineligible for tax relief	291,775	324,883
Adjustments to tax charge in respect of prior periods	(26,368)	-
Capital grants and other income not taxable	(1,034,209)	(499,667)
Research and development claim	-	12,680
Deferred tax asset not recognised	92,420	14,627
RDEC set-off amount	(47,503)	(82,372)
Total tax charge for the year	135,175	40,995

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

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12. Tangible fixed assets

Group and Company

	Freehold property £	Leasehold property £	Communicat ion and infrastructur e £	Commercial vehicles £	Fixtures and fittings £	Office equipment £	Assets under construction £	Total £
Cost or valuation								
At 1 April 2021	1,988,478	327,573	5,630,215	62,989	3,861,370	7,192,337	993,836	20,056,798
Additions	45,000	-	139,730	38,999	86,838	1,930,066	3,650,891	5,891,524
Disposals	-	-	(124,642)	-	(611,975)	(1,929,141)	-	(2,665,758)
Transfers between classes	-	(65,264)	-	-	114,742	834,948	(884,426)	-
At 31 March 2022	2,033,478	262,309	5,645,303	101,988	3,450,975	8,028,210	3,760,301	23,282,564
Depreciation								
At 1 April 2021	58,143	65,264	2,952,820	40,812	1,194,745	5,143,083	-	9,454,867
Charge for the year on owned assets	140,596	-	255,527	12,080	465,315	932,615	-	1,806,133
Disposals	-	-	(105,784)	-	(574,991)	(1,920,798)	-	(2,601,573)
Transfers between classes	-	(65,264)	-	-	-	65,264	-	-
At 31 March 2022	198,739	-	3,102,563	52,892	1,085,069	4,220,164	-	8,659,427

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12. Tangible fixed assets (continued)

Net book value

At 31 March 2022	<u>1,834,739</u>	<u>262,309</u>	<u>2,542,740</u>	<u>49,096</u>	<u>2,365,906</u>	<u>3,808,046</u>	<u>3,760,301</u>	<u>14,623,137</u>
At 31 March 2021	<u>1,930,335</u>	<u>262,309</u>	<u>2,677,395</u>	<u>22,177</u>	<u>2,666,625</u>	<u>2,049,254</u>	<u>993,836</u>	<u>10,601,931</u>

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

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13. Fixed asset investments

Group

	Investments £
Cost or valuation	
At 1 April 2021	321,993
Additions	38,520
At 31 March 2022	360,513
Impairment	
Charge for the period	11,210
At 31 March 2022	11,210
Net book value	
At 31 March 2022	349,303
At 31 March 2021	321,993

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Fixed asset investments (continued)

Company

	Investments £
Cost or valuation	
At 1 April 2021	330,842
Additions	38,520
Foreign exchange movement	(240)
At 31 March 2022	<u>369,122</u>
Impairment	
Charge for the period	11,210
At 31 March 2022	<u>11,210</u>
Net book value	
At 31 March 2022	<u><u>357,912</u></u>
At 31 March 2021	<u><u>330,842</u></u>

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13. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

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

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Satellite Applications Catapult SpA	(170,645)	(19,235)
Satellite Applications Catapult Services Limited	788,918	150,759
International Space Innovation Centre Limited	1	-
EASOS Limited	1	-
Satellite Applications Catapult Inc	1	-
ForestMind	1	-

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14. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Other debtors	143,248	415,714	-	29,064
	<u>143,248</u>	<u>415,714</u>	<u>-</u>	<u>29,064</u>
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	4,453,978	3,979,242	4,453,978	3,979,242
Other debtors	206,864	401,329	40,128	230,283
Prepayments and accrued income	5,193,808	4,540,386	4,984,302	4,353,915
Tax recoverable	1,257,928	627,766	1,257,928	627,766
	<u>11,112,578</u>	<u>9,548,723</u>	<u>10,736,336</u>	<u>9,191,206</u>

15. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	2,792,144	2,647,853	2,658,559	2,594,259
	<u>2,792,144</u>	<u>2,647,853</u>	<u>2,658,559</u>	<u>2,594,259</u>

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16. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	5,011,471	4,102,269	5,011,471	4,101,883
Amounts owed to group undertakings	-	-	413,776	32,443
Corporation tax	36,411	26,368	-	-
Other taxation and social security	321,431	243,992	321,431	243,992
Other creditors	2,260,000	2,260,000	2,260,000	2,260,000
Accruals and deferred income	2,098,018	1,904,223	1,916,242	1,800,602
	<u>9,727,331</u>	<u>8,536,852</u>	<u>9,922,920</u>	<u>8,438,920</u>

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Concessionary loans	1,600,000	1,600,000	1,600,000	1,600,000
	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>

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

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

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18. Loans

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due 2 - 5 years				
Concessionary loans	1,600,000	1,600,000	1,600,000	1,600,000
	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>
	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,600,000</u>

19. Deferred taxation

Group

	2022 £	2021 £
At beginning of year	(20,120)	(5,493)
Charged to profit or loss	(92,420)	(14,627)
At end of year	<u>(112,540)</u>	<u>(20,120)</u>

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19. Deferred taxation (continued)

Company

	2022 £	2021 £
At beginning of year	(20,120)	(5,493)
Charged to profit or loss	(92,420)	(14,627)
At end of year	(112,540)	(20,120)

The provision for deferred taxation is made up as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(112,540)	(20,120)	(112,540)	(20,120)
	(112,540)	(20,120)	(112,540)	(20,120)

20. Reserves

Revaluation reserve

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

Profit and loss account

Includes all current and prior period retained profits and losses.

21. Company status

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

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22. Capital commitments

At 31 March 2022 the Group and Company had capital commitments as follows:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Contracted for but not provided in these financial statements	803,327	-	803,327	-
	803,327	-	803,327	-

23. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension costs charge represents contributions payable by the Group to the fund and amounted to £859,780 (2021 - £712,892). Contributions totalling £nil (2021 - £nil) were payable to the fund at the balance sheet date.

24. Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Not later than 1 year	1,115,190	370,775	1,115,190	370,775
Later than 1 year and not later than 5 years	2,451,122	1,114,534	2,451,122	1,114,534
Later than 5 years	567,028	570,715	567,028	570,715
	4,133,340	2,056,024	4,133,340	2,056,024

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25. Related party transactions

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

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

	2022 £	2021 £
Group		
Sales to associated companies	25,327	42,986
Purchases from associated companies	-	63,756
Interest charged to associated companies	5,789	6,128

	2022 £	2021 £
Company		
Purchases from associated companies	-	63,756

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

	2022 £	2021 £
Group		
Trade debtor from associated companies	2,917	1,045
Loans due from associated parties	143,248	291,521

	2022 £	2021 £
Company		
Trade debtor from associated companies	2,917	1,045

	2022 £	2021 £
Group and Company		
Key management personnel compensation	1,378,061	1,294,129