
HISPASAT UK LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020



HISPASAT UK LIMITED

COMPANY INFORMATION

Director	A M M Sánchez
Registered number	11600859
Registered office	30 Finsbury Square London EC2A 1AG
Independent auditor	Barnes Roffe LLP Chartered Accountants & Statutory Auditors 3 Brook Business Centre Cowley Uxbridge Middlesex UB8 2FX

HISPASAT UK LIMITED

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HISPASAT UK LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents their report and the audited financial statements for Hispasat UK Limited (the "Company") for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £18,358 (2019: *profit £NIL*).

The director does not recommend the payment of a dividend (2019: £nil).

Director

The director who served during the year, and up to the date of signing this report, was:

A M M Sánchez

Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements 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 Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Future developments

The director does not expect there to be significant changes in the business model in the foreseeable future. The Company is waiting on a response to its application for UK orbital positions which may take up to 7 years.

HISPASAT UK LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Going concern

The director has obtained a letter of support from the immediate parent company, Hispasat S.A. The letter of support confirms that Hispasat S.A. will support the Company to meet all liabilities for a period to 31 December 2023, which is consistent with the Company's going concern assessment period. The director has assessed the ability of Hispasat S.A. to provide this support and have no concerns. The director therefore has a reasonable expectation that the Company can continue as a going concern to 31 December 2023, which is at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on the going concern basis.

Subsequent events

There have been no significant events affecting the Company since the year end.

Disclosure of information to auditor

The director at the time when this Director's report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- 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 auditor is aware of that information.

Auditor

The auditor, Barnes Roffe LLP, have been appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 from the requirement to prepare a Strategic report.

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



A M M Sánchez
Director

Date: 28/10/2022

HISPASAT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HISPASAT UK LIMITED

Opinion

We have audited the financial statements of Hispasat UK Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of income and retained earnings, the Statement of financial position and notes to the financial statements, 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 Company's affairs as at 31 December 2020 and of its loss 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 Company 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 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.

HISPASAT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HISPASAT UK 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.

Opinions 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

HISPASAT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HISPASAT UK LIMITED (CONTINUED)

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 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, are as follows:
 - Companies Act 2006.
 - FRS 102.
 - Employment legislation.
 - Tax legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, reviewing board minutes and inspecting legal correspondence;
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of noncompliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and testing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business.

HISPASAT UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HISPASAT UK LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. 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 Auditors' report.

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.

Nigel Goodman

Nigel Goodman (Senior Statutory Auditor)
for and on behalf of
Barnes Roffe LLP
Chartered Accountants & Statutory Auditors
3 Brook Business Centre
Cowley
Uxbridge
Middlesex
UB8 2FX

Date: 31/10/2022

HISPASAT UK LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020

		31 December 2020 £	<i>Period 2 October 2018 to 31 December 2019 £</i>
Administrative expenses		(18,358)	-
Operating (loss)/result	4	<u>(18,358)</u>	<u>-</u>
(Loss)/result before and after tax and total comprehensive loss/result for the year		<u>(18,358)</u>	<u>-</u>
Retained earnings at the beginning of the year		-	-
Loss for the year		(18,358)	-
Retained earnings at the end of the year		<u>(18,358)</u>	<u>-</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 14 form part of these financial statements.

HISPASAT UK LIMITED
REGISTERED NUMBER: 11600859

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	6	48,644	-
Current assets			
Debtors: amounts falling due within one year	7	815	-
Cash at bank and in hand		100	100
		<u>915</u>	<u>100</u>
Creditors: amounts falling due within one year	8	(67,817)	-
Net current (liabilities)/assets		<u>(66,902)</u>	<u>100</u>
Net (liabilities)/assets		<u>(18,258)</u>	<u>100</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	(18,358)	-
Shareholder's (deficit)/funds		<u>(18,258)</u>	<u>100</u>

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



A M M Sánchez
 Director

Date: 28/10/2022

The notes on pages 9 to 14 form part of these financial statements.

HISPASAT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Hispasat UK Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales. Registered number: 11600859. Its registered office is located at 30 Finsbury Square, London, EC2A 1AG.

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The director has obtained a letter of support from the immediate parent company, Hispasat S.A. The letter of support confirms that Hispasat S.A. will support the Company to meet all liabilities for a period to 31 December 2023, which is consistent with the Company's going concern assessment period. The director has assessed the ability of Hispasat S.A. to provide this support and have no concerns. The director therefore has a reasonable expectation that the Company can continue as a going concern to 31 December 2023, which is at least 12 months from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on the going concern basis.

2.3 Accounting reference date

The comparative period in these financial statements cover the period from incorporation on 2 October 2018 to 31 December 2019 and are therefore not directly comparable with the current year ended 31 December 2020. The accounting reference date was extended to align with that of fellow group companies.

HISPASAT UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Red Eléctrica Corporación, S.A. as at 31 December 2020 and these financial statements may be obtained from <https://www.redeia.com/en/shareholders-and-investors/financial-information/annual-accounts>.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP and amounts in these financial statements are rounded to the nearest pound.

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.

2.6 Intangible assets

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Satellite rights	-	5	years
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HISPASAT UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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.

2.10 Financial instruments

The Company 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.

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 Statement of income and retained earnings.

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 Company would receive for the asset if it were to be sold at the reporting date.

HISPASAT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)
2.10 Financial instruments (continued)

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.

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

In the application of the company's accounting policies which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

In preparing these financial statements, the director has made the following estimates and judgements:

- Determine the reasonableness of the estimated useful lives, and whether there are indicators of impairment, of the Company's intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

4. Operating (loss)/result

The operating (loss)/result is stated after charging/(crediting):

	31 December 2020 £	<i>Period 2 October 2018 to 31 December 2019 £</i>
Amortisation of intangible assets	1,701	-
Auditor's remuneration	3,000	-
Foreign exchange gains	(916)	-
	<u> </u>	<u> </u>

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019: £NIL).

HISPASAT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Intangible assets

	Satellite rights £
Cost	
Additions	50,345
At 31 December 2020	50,345
Amortisation	
Charge for the year on owned assets	1,701
At 31 December 2020	1,701
Net book value	
At 31 December 2020	48,644
At 31 December 2019	-

7. Debtors

	2020 £	2019 £
Other debtors	815	-

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	52,917	-
Amounts owed to group undertakings	1,400	-
Accruals	13,500	-
	67,817	-

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

HISPASAT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Called up share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019: 100) Ordinary shares of £1.00 each	100	100

10. Capital and reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of shares issued.

Retained earnings

Retained earnings represents cumulative profits, losses and total other comprehensive income made by the company, including distributions to, and contributions from, the parent company.

11. Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 102 not to disclose any transactions with other members of the group as they are wholly owned.

12. Ultimate controlling party

The Company's immediate parent undertaking is Hispasat, S.A., a company incorporated in Spain. Their registered office address is C/ Anabel Segura, 11 28108 Alcobendas Madrid, Spain.

The Company's ultimate parent undertaking is Red Eléctrica Corporación, S.A., a company incorporated in Spain. Their registered office address is Paseo del Conde de los Gaitanes, 177 28109 Alcobendas Madrid, Spain.

The smallest group for which consolidated financial statements are prepared that include the Company is headed by Hispasat, S.A., and the consolidated financial statements can be obtained from <https://www.hispasat.com/informe-anual-2021/>.

The largest group for which consolidated financial statements are prepared that include the Company is headed by Red Eléctrica Corporación, S.A., and the consolidated financial statements can be obtained from <https://www.redeia.com/en/shareholders-and-investors/financial-information/annual-accounts>.

The director considers Red Eléctrica Corporación, S.A. to be the ultimate controlling party.