

# **Iridium Satellite UK Limited**

Registered number: 12505689

## **Annual Report**

**For the year ended 31 December 2021**



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**IRIDIUM SATELLITE UK LIMITED**

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**COMPANY INFORMATION**

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**Directors**

M J Desch  
T J Fitzpatrick  
M Grimm

**Registered number**

12505689

**Registered office**

100 New Bridge Street  
London  
EC4V 6JA

**Independent auditor**

Mazars LLP  
Chartered Accountants & Statutory Auditor  
2nd Floor  
6 Sutton Plaza  
Sutton Court Road  
Sutton  
Surrey  
SM1 4FS

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**IRIDIUM SATELLITE UK LIMITED**

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## IRIDIUM SATELLITE UK LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

#### Principal activity

The principal activity of the Company was that of the provision of satellite communication services.

#### Results and dividends

The profit for the year, after taxation, amounted to £167,704 (9-month period ended 31 December 2020: £143,701).

The prior period results cover only 9 months and therefore a direct comparison to the results for the 12 months ended 31 December 2021 is not possible.

The directors do not recommend the payment of a dividend for the year (2020: £nil).

#### Directors

The directors who served during the period and to the date of this report were:

M J Desch  
T J Fitzpatrick  
M Grimm

#### The withdrawal of the United Kingdom from the European Union

New trading arrangements between the United Kingdom and the European Union took effect on 31 December 2020. In general, tariffs and quotas on trade have not been introduced, although administrative complications and regulatory restrictions have reduced the freedom of cross-border trade. The company is carefully monitoring the practical application of the new trading arrangements by regulatory authorities, to better understand what the eventual impact on its business will be. The process of determining these effects is ongoing.

#### Economic impact of the COVID-19 pandemic

The COVID-19 pandemic continues to affect the UK and global economies however the recent lifting of social restrictions by the government means the directors anticipate the UK and global economies to return to growth in due course. It is not possible to predict how quickly and to what degree this may happen. The priorities of the directors remain to comply with any remaining regulatory requirements to the fullest extent possible and to maintain the safety and well-being of the Company's personnel.

#### Going Concern

The Directors note that the Company has net current assets and sufficient reserves and the Directors have also received assurances from another Group undertaking that it will not require the payment of amounts due to it, in the next twelve months, if the Company does not have sufficient liquid resources to make such payment. Therefore, the Directors are of the opinion that the Company will be able to meet its obligations as they fall due in the next twelve months and therefore continue to adopt the going concern assumption in preparing the financial statements.

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**IRIDIUM SATELLITE UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Qualifying third party indemnity provisions**

The directors benefit from a third party qualifying indemnity provision in the form permitted by Section 234 of the Companies Act 2006 in respect of certain third party actions against directors. No claim or notice of claim in respect of these indemnities has been received in the year. The qualifying indemnity provision was in force throughout the financial year and up to the date of approval of the Directors' Report.

**Provision 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'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's auditor is aware of that information.

**Post balance sheet events**

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event.

**Auditor**

The auditor, Mazars LLP, 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 exemptions provided by section 415A of the Companies Act 2006.

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



**M J Desch**  
Director

Date: October 26, 2022

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**IRIDIUM SATELLITE UK LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**IRIDIUM SATELLITE UK LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRIDIUM SATELLITE UK LIMITED**

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**Qualified opinion**

We have audited the financial statements of Iridium Satellite UK Limited (the 'Company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the possible effects of the matter described in the 'Basis for qualified opinion' section of our report, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its 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 qualified opinion**

The company holds an Investment in Equity Instruments at a cost of £1,173,977. We were unable to obtain sufficient appropriate audit evidence to verify that that investment is not impaired as at 31 December 2021. We were unable to critically obtain and assess business plans and cash flow forecasts of the investee.

We were unable to satisfy ourselves by alternative means concerning the valuation of the investment by using other audit procedures. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

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 UK, including the FRC'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 qualified 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.

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**IRIDIUM SATELLITE UK LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRIDIUM SATELLITE UK LIMITED**

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**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 qualified 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.

**Qualified opinion on other matters prescribed by the Companies Act 2006**

Except for the possible effects of the matter described in the 'Basis for qualified opinion' section of our report, in our opinion, based on the work undertaken in the course of the audit:

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

**Matters on which we are required to report by exception**

In 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.

Arising solely from the matter described in the 'Basis for qualified opinion' section of our report:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept

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:

- 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRIDIUM SATELLITE UK LIMITED**

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**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 either the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, and we considered the extent to which non-compliance might have a material effect on the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

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**IRIDIUM SATELLITE UK LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IRIDIUM SATELLITE UK LIMITED**

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Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit 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.



Gerhard Bonthuys (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor  
2nd Floor  
6 Sutton Plaza  
Sutton Court Road  
Sutton  
Surrey  
SM1 4FS

Date: Oct 31, 2022

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**IRIDIUM SATELLITE UK LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	<b>12 months to 31 December 2021 £</b>	<b>9 month period ended 31 December 2020 £</b>
Turnover	2,108,470	1,955,925
<b>Gross profit</b>	<u>2,108,470</u>	<u>1,955,925</u>
Administrative expenses	(1,916,834)	(1,778,114)
<b>Operating profit</b>	<u>191,636</u>	<u>177,811</u>
<b>Profit before tax</b>	191,636	177,811
Tax on profit	(23,932)	(34,110)
<b>Profit for the financial year</b>	<u>167,704</u>	<u>143,701</u>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>167,704</u>	<u>143,701</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 21 form part of these financial statements.

**IRIDIUM SATELLITE UK LIMITED**  
**REGISTERED NUMBER: 12505689**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Long term assets</b>			
Investments in associates	4	1,173,077	-
		<u>1,173,077</u>	<u>-</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	5	1,975,856	2,373,265
Cash at bank		120,703	-
		<u>2,096,559</u>	<u>2,373,265</u>
Creditors: Amounts falling due within one year	7	(1,882,779)	(2,229,563)
		<u>213,780</u>	<u>143,702</u>
<b>Net current assets</b>		<u>213,780</u>	<u>143,702</u>
<b>Total assets less current liabilities</b>		<u>1,386,857</u>	<u>143,702</u>
<b>Net assets</b>		<u>1,386,857</u>	<u>143,702</u>
<b>Capital and reserves</b>			
Called up share capital	9	151	1
Share premium account		1,075,301	-
Profit and loss account		311,405	143,701
		<u>1,386,857</u>	<u>143,702</u>
<b>Total equity</b>		<u>1,386,857</u>	<u>143,702</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



**M J Desch**  
Director

Date: October 26, 2022

The notes on pages 11 to 21 form part of these financial statements.

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**IRIDIUM SATELLITE UK LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	-	-	-	-
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	143,701	143,701
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	143,701	143,701
Shares issued during the period	1	-	-	1
<b>Total transactions with owners</b>	1	-	-	1
<b>At 1 January 2021</b>	1	-	143,701	143,702
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	167,704	167,704
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	167,704	167,704
Shares issued during the year	150	1,075,301	-	1,075,451
<b>Total transactions with owners</b>	150	1,075,301	-	1,075,451
<b>At 31 December 2021</b>	151	1,075,301	311,405	1,386,857

The notes on pages 11 to 21 form part of these financial statements.

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**IRIDIUM SATELLITE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**1. General information**

Iridium Satellite UK Limited is a private company, limited by shares and incorporated in England & Wales. Its registered office is 100 New Bridge Street, London, EC4V 6JA.

The principal activity of the Company is that of the provision of satellite communication services.

**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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

These financial statements have been presented in Pounds Sterling and rounded to the nearest pound as this is the Company's functional currency, being the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied:

**2.2 Going concern**

The Directors note that the Company has net current assets and sufficient reserves and the Directors have also received assurances from another Group undertaking that it will not require the payment of amounts due to it, in the next twelve months, if the Company does not have sufficient liquid resources to make such payment. Therefore, the Directors are of the opinion that the Company will be able to meet its obligations as they fall due in the next twelve months and therefore continue to adopt the going concern assumption in preparing the financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentation 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

**2.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2: Accounting policies (continued)**

**2.5 Pensions**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

**2.6 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

For cash-settled share-based payment transactions, the fair value of the liability for the awards made is measured at each reporting date and at the settlement date. The fair value is recognized over the vesting period. The amount of expense recognized takes into account the best available estimate of the number of equity instruments expected to vest under the service and performance conditions underlying each share and option award granted.

The fair value at grant date of equity-settled share-based payment transactions is expensed over the vesting period with a corresponding increase in equity, taking into account the best available estimate of the number of shares expected to vest under the service and performance conditions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.7 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 Company 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.

**2.8 Associates and joint ventures**

Associates and Joint Ventures are held at cost less impairment.

**2.9 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.

**2.10 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.

**2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**2. Accounting policies (continued)**

**2.12 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 and loans to related parties.

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 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 Company 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.

**3. Employees**

The average monthly number of employees, including the directors, during the year was 6 (2020: 6).

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**IRIDIUM SATELLITE UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**4. Long term assets**

	Investments in associates £
<b>Cost</b>	
At 1 January 2021	-
Additions	1,173,077
At 31 December 2021	<u>1,173,077</u>

As of May 2021, the Company acquired a 25% share holding in DDK Positioning Limited, a company registered in England and Wales. This share holding increased to 33% in December 2021.

**5. Debtors: Amounts falling due within one year**

	2021 £	2020 £
Amounts owed by group undertakings	1,670,216	2,198,202
Other debtors	11,407	21,616
Prepayments and accrued income	3,546	-
Deferred taxation	290,687	153,447
	<u>1,975,856</u>	<u>2,373,265</u>

Amounts owed by group undertakings are interest free, unsecured and payable on demand.

**6. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank	<u>120,703</u>	<u>-</u>

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**7. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	-	81,507
Amounts owed to group undertakings	883,012	791,110
Corporation tax	185,541	187,557
Other creditors	561,144	874,449
Accruals	253,082	294,940
	<u>1,882,779</u>	<u>2,229,563</u>

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

Other creditors includes a liability of £481,024 (2020: £873,362) relating to granted share appreciation rights (note 10).

**8. Deferred taxation**

	2021 £
At beginning of period	153,447
Charged to profit or loss	137,240
<b>At end of period</b>	<u>290,687</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Tax losses carried forward	290,687	153,447
	<u>290,687</u>	<u>153,447</u>

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**9. Called up share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
151 (2020: 1) Ordinary shares of £1 each	151	1

On 1 June 2021, the Company issued 100 ordinary shares. Total consideration received in excess of par value was £704,977 which has been credited to share premium.

On 29 December 2021, the Company issued a further 50 ordinary shares. Total consideration received in excess of par value was £370,324 which has been credited to share premium.

The Company has one class of ordinary shares; each share carries one voting right per share but no right to fixed income.

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10. Share based payments

The Company's Equity Incentive Plan provides for the grant of stock-based awards, including nonqualified stock options, incentive stock options, restricted stock, RSUs, stock appreciation rights and other equity securities as incentives and rewards for employees, consultants and non-employee directors of the Company and its affiliated entities.

Share appreciation rights

	2021		2020		
	No.	Weighted average exercise price (\$)	No.	Weighted average exercise price (\$)	
Opening	47,992	7.67	57,527	7.73	
Issued in the year	-	-	-	-	
Exercised in the year	(24,579)	13.23	(9,535)	8.06	
Closing	23,413	17.33	47,992	7.67	
Grant date (US date)	09/01/2016	12/14/2016	09/01/2017	08/07/2018	10/01/2018
	\$	\$	\$	\$	\$
Exercise price	7.77	7.77	11.25	11.25	22.58
No. Issued in year	-	-	-	-	-
No. Exercised	(3,168)	(1,026)	(6,108)	(8,687)	(5,590)
No. Closing	-	-	4,485	6,364	12,564
	\$	\$	\$	\$	\$
MV	-	-	139,892.00	201,571.00	307,409.00
Weighted average contractual life (years)	4.75	4.75	5.75	6.75	6.75
Expected volatility	44.84%	44.84%	44.80%	45.23%	44.83%
Expected dividend growth rate	0.00%	0.00%	0.00%	0.00%	0.00%

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**10. Share based payments (continued)**

Restricted Stock Units

There are two types of restricted stock units granted to employees - performance related RSUs (which represent 60% of an individual's bonus and are granted on the 1st March of the year in which a bonus is being earned) - there were no performance-related grants in the period ended 2020. There are also non-performance related grants (as specified below). These grants have a 1 year vesting period. The non performance related RSUs have a 4 year vesting period (correct disclosure below). In the year ended 31/12/2021, there were 10,615 non performance RSUs granted with a MV of \$41.91 (total \$444,875). There were also 14,550 non performance RSUs exercised giving closing non performance RSUs as 34,865. There were also 4,350 performance RSUs granted in the year (no exercises) with a MV of \$41.91 on grant.

A summary of the activity of the Company's stock options is as follows:

	No.	Weighted average exercise price (\$)
Opening	38,800	-
Issued in the year	14,965	41.91
Exercised in the year	-14,550	-
Closing	<u>39,215</u>	<u>11.34</u>

**11. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £24,082 (2020: £14,793). Contributions totaling £11,787 (2020: £1,088) were payable to the fund at the balance sheet date and are included in creditors.

**12. Post balance sheet events**

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event.

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**13. Controlling party**

The immediate parent undertaking is Iridium Satellite LLC, a company registered in the USA.

The ultimate parent undertaking and controlling party is Iridium Communications Inc, which is incorporated in the USA. The address of its registered office is 1750 Tysons Boulevard, Suite 1400 McLean, VA 22102.

Iridium Communications Inc is the parent undertaking of the smallest and largest group which consolidates the financial information of the Company. Copies of the group's financial statements may be obtained from [www.iridium.com](http://www.iridium.com).