

OneWeb Network Access Holdings Limited

Annual Report and Accounts

Registered number 09992956

For the year ended

31 March 2023

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Strategic report

The Directors present the strategic report for OneWeb Network Access Holdings Limited (“the Company”) for the year ended 31 March 2023.

Combination of the OneWeb Group with Eutelsat

On 25 July 2022, Eutelsat Communications S.A. (“Eutelsat”) and key OneWeb shareholders signed a Memorandum of Understanding with a view to combining Eutelsat and OneWeb in an all-share transaction (“Combined Entity”). The transaction builds upon the already strong foundation of collaboration between OneWeb and Eutelsat, having been established when Eutelsat first announced its investment in OneWeb in April 2021.

The parties signed a Framework Agreement on 14 November 2022 pursuant to which Eutelsat undertook to acquire the OneWeb shareholders’ shares (excluding the Class B share) in the share capital of OneWeb subject to the terms and conditions of the Framework Agreement. All required regulatory approvals were obtained by August 2023.

On 28 September 2023, Eutelsat’s shareholders approved the transaction at an Extraordinary General Meeting (“EGM”) of Eutelsat. As a result, the combination was completed on this date, forming the Eutelsat Group. The ultimate parent company of the Company is now Eutelsat Communications S.A..

The newly formed Eutelsat Group is strategically positioned to be a global leader in space communications. Eutelsat’s powerful GEO fleet will combine network density and high throughput with the low latency and ubiquity of OneWeb’s LEO constellation to offer customers global, fully integrated connectivity services.

The Eutelsat Group is headquartered in Paris, France and remains listed on the Euronext Paris Stock Exchange and has a secondary listing on the London Stock Exchange. OneWeb will continue to operate the LEO business and remain in the UK.

Principal activities

The Company acts primarily as an investment holding company for the group to which it belongs. The Group’s principal activities are the design, development and operation of a global satellite communications network to enable universal internet access. The initial network consists of a constellation of more than 600 LEO satellites that aims to deliver high speed, low latency global connectivity to customers throughout the world. The OneWeb network is designed to go beyond the limits of existing infrastructure, enabling digital connectivity for remote, rural communities and schools as well as for industries that enable global connectivity such as aviation, maritime and businesses including governmental services and strategic partnerships with other telecommunications enterprises. The advanced system design and ultra-low latency will support the emerging digital economy and enable advanced mobile application needs.

Review of the business

In the year ended 31 March 2023, the Company generated a profit before tax of \$353,000 (15-month period ended 31 March 2022: \$265,000). The increase in profit was due to the addition of external revenues in addition to intercompany revenue generated for the year.

Going concern

Notwithstanding net current liabilities of \$22,227,000 as at 31 March 2023, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, OneWeb Holdings Limited, to meet its liabilities as they fall due during the going concern assessment period.

This assessment is dependent on OneWeb Holdings Limited and its other subsidiaries not seeking repayment of the amounts currently due to the group, which at 31 March 2023 amounted to \$28,884,000, and providing additional financial support during the going concern assessment period. OneWeb Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

This report is authorised by order of the Board,



Sameer Karimbhai
Director

Date: 16 NOVEMBER 2023

Directors' report

Proposed dividend

The directors do not recommend the payment of a dividend. The Company does not have any distributable earnings.

Directors and Officers

The Directors and Officers who held office during the period and to the date of signing of this report were as follows:

- Sameer Karimbhai
- Neil Masterson (resigned 28 September 2023)
- Srikanth Balachandran (appointed 14 February 2022, resigned 28 September 2023)
- Christophe Caudrelier (appointed 28 September 2023)

All Directors benefited from qualifying third-party indemnity provisions in place during the financial period and at the date of this report. The Company provided qualifying third-party indemnity provisions to certain Directors of associated companies during the financial period and at the date of this report.

Political contributions

The Company made no political contributions during the period.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial period have been included in the Strategic Report.

Auditor

For the period ended 31 March 2023 the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

By order of the Board,



Sameer Karimbhai
Director

Date: 16 NOVEMBER 2023

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK 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 group and parent company and of their profit or loss for that period. In preparing financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable, relevant, reliable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting, unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Statement of profit and loss and other comprehensive income
for the year ended 31 March 2023

	<i>Note</i>	Year ended 31 March 2023	15-month period ended 31 March 2022
		\$000	\$000
Revenue	3	2,175	2,407
Operating expenses	4	(1,794)	(2,142)
Operating Loss		381	265
Finance costs		(28)	-
Profit before tax		353	265
Taxation	7	-	-
Profit for the period and total comprehensive income		353	265

There were no items of other comprehensive income in the period.

Balance sheet

At 31 March 2023

	Note	31 March 2023 \$000	31 March 2022 \$000
Non-current assets			
Property, plant and equipment	8	25,220	1,080
Intangible assets	9	55	0
Loans to related parties		121	121
Investments	10	-	-
Current assets		25,396	1,201
Trade receivables		250	-
Receivables from other group companies		7,485	2,419
Prepaid expenses		1,345	-
Goods and services tax receivable		-	62
Cash and cash equivalents		36	71
		9,116	2,552
Total assets		34,512	3,753
Current liabilities			
Trade payables		(1,502)	(270)
Payables to other group companies		(28,403)	(3,008)
Goods and services tax payable		(276)	-
Accrued expenses		(629)	(189)
Other current payables		(533)	-
		(31,343)	(3,467)
Non-current liabilities			
Shareholder loans non-current		(481)	(481)
Other Non-current payables	11	(2,530)	-
Total liabilities		(34,354)	(3,948)
Net assets/(liabilities)		158	(195)
Equity			
Share capital	12	-	-
Retained earnings	12	158	(195)
Total equity		158	(195)

For the year ending 31 March 2023 the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements which give a true and fair view of the state of the Company as at the end of the financial period and of its profit and loss for the financial period, in accordance with the requirements of sections 394 and 395 of the Companies Act 2006 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 16 November 2023 and were signed on its behalf by:



Sameer Karimbhai
Director
Company registered number: 09992956

Statement of changes in equity

	Share Capital \$000	Retained earnings \$000	Total equity \$000
At 1 January 2021	-	(460)	(460)
Total comprehensive income for the period			
Profit for the period	-	265	265
Total comprehensive loss for the period	-	265	265
At 31 March 2022	-	(195)	(195)
Total comprehensive income for the period			
Profit for the year	-	353	353
Total comprehensive profit for the period	-	353	353
Balance at 31 March 2023	-	158	158

Notes to the financial statements (forming part of the financial statements)

1 General information

OneWeb Network Access Holdings Limited (“the Company”) is a private company incorporated, domiciled and registered in England & Wales. The registered number is 09992956 and the registered address is West Works Building, 195 Wood Lane, London, United Kingdom, W12 7FQ.

2 Basis of preparation

2.1 Going concern

Notwithstanding net current liabilities of \$22,227,000 as at 31 March 2023, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, OneWeb Holdings Limited, to meet its liabilities as they fall due during the going concern assessment period.

This assessment is dependent on OneWeb Holdings Limited and its other subsidiaries not seeking repayment of the amounts currently due to the group, which at 31 March 2023 amounted to \$28,884,000, and providing additional financial support during the going concern assessment period. OneWeb Holdings Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.2 Accounting estimates and judgements

These financial statements were prepared in accordance with Financial Reporting Standard 101, Reduced Disclosure Framework (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006, but makes amendments where necessary in order to comply with Companies Act 2006.

The following exemptions have been taken under FRS 101:

- the requirements of IFRS 7: *Financial Instruments: Disclosures*;
- the requirements of IAS 7: *Statement of Cash Flows*;
- the requirements of paragraphs 91 to 99 of IFRS 13: *Fair value measurements*;
- the requirements of paragraphs 134 to 136 of IAS 1: *Presentation of Financial Statements*;
- the requirements of paragraph 17 and 18A of IAS 24: *Related Party Disclosures*; and
- the requirements in IAS 24: *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

In the preparation of financial statements in conformity with FRS 101, management is required to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, expenses and disclosures of contingent liabilities. Estimates and judgments are continually evaluated. These estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and are believed to be reasonable under the circumstances at the end of the financial periods presented. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Due to uncertainties inherent in making estimates, actual results could differ from those estimates.

Critical judgements are those made when applying accounting policies that could have a significant impact on the amounts recognised in the financial statements. The only areas of accounting which required critical judgement to be applied was in the assessment of going concern and asset impairment.

Key sources of estimation uncertainties are those assumptions where there is a significant risk that changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. No areas of accounting required significant estimates to be made in the current period.

2.3 Significant accounting policies that relate to the financial statements as a whole

a) Measurement convention

Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note. In accordance with FRS 101, where balances are considered to be immaterial to these financial statements, no further disclosures are provided.

The accounting policies set out below have, unless otherwise stated, been applied consistently in the periods presented in these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently in the periods presented in these financial statements, with the exception of IFRS 10: *Consolidated Financial Statements*. An exemption has been taken under s400 of the Companies Act 2006 not to prepare consolidated financial statements in the current period. The results of the Company are included in the consolidated financial statements of OneWeb Holdings Limited, which are publicly available from Companies House, United Kingdom.

The financial statements are prepared on the historical cost basis except for certain financial assets and financial liabilities required by FRS 101 to be measured at fair value.

b) Foreign currency

The presentation currency of the Company is the U.S. dollar. Gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are recorded in profit or loss and classified as foreign exchange gain or loss on the statements of comprehensive income or loss.

c) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

3 Revenue

	Year ended 31 March 2023	15-month period ended 31 March 2022
	\$000	\$000
Intercompany revenue	1,926	2,407
Connectivity services revenue	250	-
Total revenue	2,175	2,407

Intercompany revenue represents recharges of administrative services on a cost-plus basis to Network Access Associates Limited, the Company's immediate parent. Revenue is recognised when the related costs that can be recharged are incurred.

4 Operating expenses

	Year ended 31 March 2023	15-month period ended 31 March 2022
	\$000	\$000
Professional fees	1,134	2,201
Office and facility costs	219	21
Travel and entertainment	7	-
Marketing	62	-
Non-staff R&D expense	-	49
Reorganisation and restructuring costs	-	4
Loss on disposal	225	-
Other expenses	169	-
Foreign exchange gain	(22)	(133)
Total operating expenses	1,794	2,142

5 Employee information

The Company had no employees in the current period or prior year.

6 Directors' remuneration

No Directors received remuneration or contributions to a money purchase pension plan in respect of their services to the Company. The three Directors who served during the current period were paid by other group companies in respect of their services to the group and no recharges were made to the Company in respect of these services. Had a recharge been made, the amount would have been insignificant, estimated to be less than \$5,000 each for both the current period and prior year.

7 Taxation

Accounting policy

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Income tax expense

	Year ended 31 March 2023	15-month period ended 31 March 2022
	\$000	\$000
Current tax expense		
Current period	-	-
Total tax credit	-	-

Reconciliation of effective tax rate

	Year ended 31 March 2023	15-month period ended 31 March 2022
	\$000	\$000
Profit before tax	353	265
Tax using the UK corporation tax rate of 19%	67	50
Disallowable expenses	(4)	-
Effects of group relief	(63)	(50)
Current period losses for which no deferred tax asset was recognised	-	-
Total tax charge	-	-

Factors that may affect future tax charges

An increase in the UK corporate tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 14 May 2022. This will increase the Company's future current tax charge accordingly.

8 Property, plant and equipment

Accounting policy

The Group's property, plant and equipment include costs for the design, manufacture, test and launch of a constellation of low earth orbit satellites (the space component), primary and backup control centres, gateways and other ground facilities (the ground component).

Property, plant and equipment are stated at cost less accumulated depreciation.

The cost of property and equipment includes the estimated costs of dismantling and removing the asset and restoring the site on which it is located to the extent that the Group has a legal or constructive obligation as a direct consequence of acquiring or constructing the property, plant and equipment.

Assets are brought into service and depreciated from the point they are operating as intended. At 31 March 2023, all assets associated with the space and ground components of the Company's infrastructure are under construction.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Where components of property, plant and equipment have different useful lives, they are accounted for as a separate class of property, plant and equipment. The estimated useful lives and depreciation methods are reviewed at the end of each reporting period and the effect of any changes in estimates are accounted for on a prospective basis.

Carrying value of property, plant and equipment

	Ground component under construction \$000
Cost	
At 1 January 2021	541
Additions	539
At 31 March 2022	1,080
Additions	24,968
Disposals	(828)
At 31 March 2023	25,220
Depreciation	
At 1 January 2021 and 1 April 2022	-
Depreciation charge	-
At 31 March 2023	-
Carrying value	
At 31 March 2023	25,220
At 31 March 2022	1,080

During the year, the Company executed an asset transfer agreement with other members of the OneWeb Group. As part of this agreement, certain of the Group's assets were transferred to other OneWeb Group companies for their fair value, resulting in a loss on disposal in the year of \$224,768 as the fair value of the asset at the transfer date was lower than the asset's carrying value. The fair value was identified based on the assets carrying value in the consolidated financial statements of OneWeb Holdings Limited, the Company's intermediate parent company.

9 Intangible Assets

Accounting policy

Intangible assets are stated at cost less accumulated amortisation and less accumulated impairment losses.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development.

As at 31 March 2023, all the Company's intangible assets are still under construction. The Company is currently building various assets which will form part of the wider OneWeb network.

	Software development under construction \$000
Cost	
At 1 January 2021	-
Additions	-
At 31 March 2022	-
Additions	55
At 31 March 2023	55
Depreciation	
At 1 January 2021 and 1 April 2022	-
Depreciation charge	-
At 31 March 2023	-
Carrying value	
At 31 March 2023	55
At 31 March 2022	-

10 Investments

Accounting policy

Investments are carried at cost less impairment. The Company's investments in subsidiaries are fully impaired and have a carrying value of \$nil.

Listing of subsidiaries and affiliates

Name	Principal activity	Registered Agent Address	Country of incorporation	Share- holding 31 March 2023 (%age)
OneWeb Ltd (Malta)	Holding Company	SmartCity Malta, SCM 01, TMF Group (Malta) 401 Ricasoli, Kalkara, SCM 1001 Malta	Malta	99%
WorldVu Mexico S.DE. R.L. DE C.V.	Holding Company	Pretén 27 St 201 Piedad Narvarte Mexico City 3000 Mexico	Mexico	0.03%
OneWeb SA	Holding Company	Tucumán 1, Piso 4, Buenos Aires, C1049AAA Argentina	Argentina	2%
OneWeb Capacidade Satelital Ltda	Holding Company	Avenida Nove de Julho, 3228, sala 604, 1º d., First Office Flat, Jardim Paulista, São Paulo, 01406-000 Brazil	Brazil	1%

The Company's equity interest represents the voting interests of the Group in the respective subsidiary or affiliate.

11 Other current and non-current payables

	Due between		
	Due within 12 months \$000	12 months and 5 years \$000	Due over 5 years \$000
Other payables	533	1,803	727

12 Capital and reserves

Share capital

Share capital is the number of shares in issue, stated at their nominal value.

The value of share capital at the end of the period was as follows:

	31 March 2023 \$	31 March 2022 \$
100 Ordinary shares of £1 each, fully paid	123	123

Retained earnings

Retained earnings are the net earnings not paid out as dividends. The Company had a retained profit of \$158,000 (2022: retained loss of \$195,000).

13 Ultimate controlling party

There is no single ultimate controlling party of the Company. The ultimate parent company is Eutelsat Communications S.A., a société anonyme incorporated, domiciled and registered in France. The registered number of Eutelsat Communications S.A. is 481 043 040 R.C.S. Nanterre and the registered address is 32, boulevard Gallieni, 92130 Issy-les-Moulineaux, France.

14 Subsequent events

On 28 September 2023, the Company's former ultimate parent company, OneWeb Holdings Limited, was acquired by Eutelsat Communications S.A., as a result of the combination of the OneWeb and Eutelsat groups in an all-share transaction. From this date, the Company's ultimate parent company is Eutelsat Communications S.A.