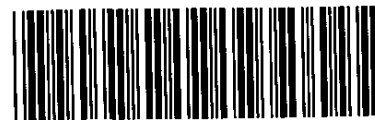


**Inmarsat Ventures Limited**  
**Balance Sheet**  
**At 31 July 2018**

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(\$ in millions)	Notes	At July 2018	At 31 December 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	0.1	-
Intangible assets	6	4.4	2.4
Investments	7	1,707.8	1,707.8
Other receivables	8	-	14.6
		<b>1,712.3</b>	<b>1,724.8</b>
<b>Current assets</b>			
Trade and other receivable	8	289.7	12.8
Cash and cash equivalents	8	1.7	-
		<b>291.4</b>	<b>12.8</b>
<b>Total assets</b>		<b>2003.7</b>	<b>1,737.6</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	9	269.7	4.1
Current tax liability	10	0.3	-
		<b>270.0</b>	<b>4.1</b>
<b>Total liabilities</b>		<b>270.0</b>	<b>4.1</b>
<b>Net assets</b>		<b>1,733.7</b>	<b>1,733.5</b>
<b>Shareholders' equity</b>			
Ordinary share capital		106.6	106.6
Share premium		1,080.6	1,080.6
Share options reserve		2.0	2.0
Capital contribution reserve		39.0	39.0
Retained earnings		505.5	505.3
<b>Total shareholders' equity</b>		<b>1,733.7</b>	<b>1,733.5</b>

The accompanying notes are an integral part of the balance sheet.

The balance sheet of Inmarsat Ventures Limited, registered number 03674573, were approved by the Board of Directors on 21 September 2018 and signed on its behalf by:

**Alison Horrocks**  
Director

**Inmarsat Ventures Limited**  
**Notes to the Balance sheet**  
**As of 31 July 2018**

**1. General information**

Inmarsat Ventures Limited (the 'Company') is principally a holding company by function, and incorporated as a private company limited by shares.

The Company's parent undertaking is Inmarsat Investments Limited and ultimate controlling party is Inmarsat plc, both incorporated in the United Kingdom and registered in England and Wales. The largest and smallest groups into which the results of the Company are consolidated are headed by Inmarsat plc and Inmarsat Investments Limited, respectively.

**2. Principal accounting policies**

**Basis of preparation**

The balance sheet and related notes have been prepared in accordance with Section 92 of the Companies Act, 'Private Company becoming public. Section 92 sets out the requirements as to net assets for a private company applying to re-register as a public company.

In accordance with paragraph 1(a) of Section 92 of the Companies Act, the Company has prepared a balance sheet and related notes as at July 31, 2018 with comparatives for the year ended December 31, 2017. The balance sheet related notes have been prepared in accordance with FRS 101 which is the provision of the Companies Act 2006 which would have applied had the balance sheet and related notes been prepared for a full financial year.

The balance sheet and related notes have been prepared under the historical cost convention, modified for certain items carried at fair value, as stated in the accounting policies. A summary of the more significant accounting policies is set out below. These policies have been applied consistently for all the years presented unless otherwise stated.

**Going Concern**

At the date of signing of the balance sheet the Directors have considered all the factors impacting the Company's and Group's business, including downside sensitivities. The company is in a net asset as well as a net current asset position and the Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Company's balance sheet.

**Basis of accounting**

The preparation of the balance sheet and related notes in conformity with FRS 101 requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the Balance Sheet dates and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best estimate of the amounts, events or actions, the actual results ultimately may differ from those estimates.

**Financial assets**

*Trade and other receivables*

Trade and other receivables are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method, subject to expected credit losses.

**Financial liabilities and equity**

*Trade and other payables*

Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method.

*Borrowings*

Borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least 12 months after the Balance Sheet date.

**Inmarsat Ventures Limited**  
**Notes to the Balance sheet**  
**As of 31 July 2018**

**2. Principal accounting policies (continued)**

***Investments in subsidiaries***

Investments in subsidiaries are held initially at cost and are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be fully recoverable.

The impairment review comprises a comparison of the carrying amount of the investment with its recoverable amount, which is the higher of fair value less costs to sell and value in use. Fair value less costs to sell is calculated by reference to the amount at which the investment could be disposed of.

Value in use is calculated by discounting the expected future cash flows obtainable as a result of the investment's continued use, including those resulting from its ultimate disposal, at a market-based discount rate on a pre-tax basis.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

***Deferred tax***

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary deductible differences or tax loss carry forwards can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

***Intangible assets***

***Assets in the course of construction***

These assets will be transferred to Spectrum rights, orbital slots and licenses and amortised over the life of the satellites or services once they become operational and placed into service. No amortisation has yet been charged on these assets.

***Impairment reviews***

All assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Indicators of impairment may include changes in technology and business performance. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable and independent cash flows, these are known as cash generating units. An impairment loss is recognised in the Income Statement whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, 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.

**Inmarsat Ventures Limited**  
**Notes to the Balance sheet**  
**As of 31 July 2018**

**2. Principal accounting policies (continued)**

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment loss had been recognised.

**3. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Determining whether the company's investments in subsidiaries have been impaired requires estimations of the recoverable amount of the investments. To the extent that the carrying value of the Company's investment in a subsidiary is greater than the recoverable amount of the subsidiary, an impairment is recognised in the investment and charged to the Company's profit or loss in the period.

**4. Financial risk management**

The Company's debt financing is currently all intercompany and so is not exposed to all the same financial risks associated with external borrowings, namely the effects of changes in debt market prices, credit risks, liquidity risks and interest rates. The Company does not have in place its own risk management programme. Instead it falls under the Inmarsat plc group's risk management programme that seeks to limit the adverse effects on the financial performance of the Group as a whole by using forward exchange contracts to limit exposure to foreign currency risk and interest rate swaps to reduce the impact of fluctuating interest rates on its floating rate long-term debt.

The Board of Directors has delegated to a subcommittee, the Treasury Review Committee, the responsibility for setting the financial risk management policies applied by the Group and therefore by the Company. The policies are implemented by the treasury department which receives regular reports from the operating companies to enable prompt identification of financial risks so that appropriate actions may be taken. The treasury department has a policy and procedures manual that sets out specific guidelines for managing foreign exchange risk, interest rate risk and credit risk. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

**(a) Market risk**

**(i) Foreign exchange risk**

The Company is not exposed to significant foreign exchange risk.

**(ii) Price risk**

The Company is not exposed to significant equity securities price risk or commodity price risk.

**Inmarsat Ventures Limited**  
**Notes to the Balance sheet**  
**As of 31 July 2018**

**4. Financial risk management (continued)**

**(b) Interest rate risk**

Given the Company has no significant interest-bearing assets (except amounts due from Group companies), income and operating cash flows are substantially independent of changes in market interest rates. In addition, borrowings are predominantly intercompany and are at a fixed interest rate, meaning that the Company is not exposed to variable market interest rates.

**(c) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum exposure to credit risk is \$291.4m (2017: \$27.4m), which comprises predominantly of intercompany balances. This exposure to credit risk is limited because the counterparties are fellow Group companies.

**(d) Liquidity risk**

The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. This risk is managed by the Group along with other risks faced by the Group. Prudent liquidity risk management implies maintaining sufficient cash and short-term deposits and the availability of funding through and an adequate amount of committed credit facilities.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

**Inmarsat Ventures Limited**  
**Notes to the Balance sheet**  
**As of 31 July 2018**

**5. Property, plant and equipment**

(\$ in millions)	Space segment and other equipment	Total
<b>Cost</b>		
Balance at 1 January 2017	-	-
Additions	-	-
<b>Balance at 31 December 2017</b>	-	-
Additions	0.1	0.1
<b>Balance at 31 July 2018</b>	<b>0.1</b>	<b>0.1</b>
<b>Accumulated depreciation and impairment</b>		
Balance at 1 January 2017	-	-
Depreciation expense	-	-
Effect of translation	-	-
<b>Balance at 31 December 2017</b>	-	-
Depreciation expense	-	-
Disposals	-	-
Effect of translation	-	-
<b>Balance as of 31 July 2018</b>	-	-
<b>Net book amount at 31 December 2017</b>	-	-
<b>Net book amount at 31 July 2018</b>	<b>0.1</b>	<b>0.1</b>

**6. Intangible assets**

(\$ in millions)	Assets under construction	Total
<b>Cost</b>		
Balance at 1 January 2017	0.4	0.4
Additions	2.0	2.0
<b>Balance at 31 December 2017</b>	<b>2.4</b>	<b>2.4</b>
Balance at 1 January 2018	2.4	2.4
Additions	2.0	2.0
<b>Balance at 31 July 2018</b>	<b>4.4</b>	<b>4.4</b>

**Inmarsat Ventures Limited**  
**Notes to the Balance sheet**  
**As of 31 July 2018**

**7. Investments**

(\$ in millions)	At 31 July 2018	At 31 Dec 2017	Principal activity	Country of incorporation and operation <sup>1</sup>	Interest in issued ordinary share capital at 31 July 2018
Inmarsat Global Limited	1,530.7	1,530.7	Satellite telecommunications	England and Wales / A	100%
Inmarsat Finance III Limited	122.4	122.4	Operating company	England and Wales / A	100%
Inmarsat Global Xpress Limited	39.0	39.0	Operating company	England and Wales / A	99.999%
Inmarsat New Zealand Limited	9.7	9.7	Operating company	New Zealand	35.648%
Inmarsat Hellas Satellite Services SA	3.7	3.7	Satellite telecommunications	Greece / M	100%
Inmarsat Services Limited	1.1	1.1	Operating company	England and Wales / A	100%
Investment held at cost	1.1	1.1	Operating Company	France	0.6%
Inmarsat SA	0.1	0.1	Operating company	Switzerland/ AC	100%
Inmarsat Launch Company Limited	-	-	Operating company	Isle of Man / R	100%
PT ISAT	-	-	Operating company	Indonesia / Q	1%
ISAT Global Xpress OOO	-	-	Operating company	Russian Federation / Y	99.99%
EuropaSat Limited	-	-	Operating company	England and Wales / A	100%
Inmarsat Navigation Ventures Limited	-	-	Operating company	England and Wales / A	100%
Inmarsat Employment Company Limited	-	-	Employment company	Jersey / T	100%
Inmarsat Employee Share Plan Trustees Limited	-	-	Dormant	England and Wales / A	100%
Inmarsat Trustee Company Limited	-	-	Dormant	England and Wales / A	100%
Inmarsat (IP) Company Limited	-	-	Operating company	England and Wales / A	100%
Inmarsat India Private Limited	-	-	Operating company	India / P	0.01%
	1,707.8	1,707.8			

<sup>1</sup> For the list of registered addresses please refer to the next table.

Registered address key

Registered Address
A 99 City Road, London, EC1Y 1AX
M 280 Kifisias Avenue, Halandri, 152 32, Greece
P B-92, 9th Floor Himalaya House, K.G. Marg, New Delhi, 110001, India
Q Jl. Jaksa Agung R. Suprpto, Sekupang, Batam, 29422, Indonesia
R Fort Anne, Douglas, IM1 5PD, Isle of Man
T 44 Esplanade, St. Helier, Jersey, JE4 9WG, Jersey
Y Bld. 5, 13 Kasatkina Street, 129301, Moscow, Russian Federation
AC Route de Crassier 19, 1262, Eysins, Switzerland
AE 4 Rue Ampere, BP 30225, Lannion, 22300, France

**Inmarsat Ventures Limited**  
**Notes to the Balance sheet**  
**As of 31 July 2018**

**8. Trade and other receivables**

(\$ in millions)	Effective interest rate %	At 31 July 2018	At 31 December 2017
<b>Current:</b>			
Cash and cash equivalents		1.7	-
Amounts due from Group undertakings	0.4%	286.2	10.0
Other receivables		3.5	2.8
		<b>291.4</b>	<b>12.8</b>
<b>Non-Current:</b>			
Other receivables		-	14.6
		-	<b>14.6</b>

The Directors consider the carrying value of trade and other receivables to approximate to their fair value.

**9. Trade and other payables**

(\$ in millions)	Effective interest rate %	At 31 July 2018	At 31 December 2017
<b>Current:</b>			
Trade creditors		0.1	1.0
Amounts due to Group undertakings	6.0%	269.6	1.0
Accruals and deferred income		-	0.1
Other creditors		-	2.0
		<b>269.7</b>	<b>4.1</b>

The Directors consider the carrying value of trade and other payables to approximate to their fair value.

**10. Current tax assets and liabilities**

The current tax liability of \$0.3m (2017: \$Nil) represents the income tax payable in respect of current and prior periods less amounts paid.

Total unrecorded deferred tax assets:

(\$ in millions)	At 31 July 2018	At 31 December 2017
Unused capital losses	(18.2)	(17.8)
	<b>(18.2)</b>	<b>(17.8)</b>

Unrecorded deferred tax assets relate to capital losses where it is uncertain whether these losses will be utilised in future periods.

The Budget announced by the Chancellor on 16 March 2016, included changes to the main rate of corporation tax for UK companies. The standard rate of corporation tax remains 20% for the financial year commencing 1 April 2016,



**Inmarsat Ventures Limited**  
**Notes to the Balance sheet**  
**As of 31 July 2018**

however there was a further reduction to 19% with effect from 1 April 2017, and to 17% from 1 April 2020. The deferred tax assets and liabilities at the balance sheet date are calculated taking account of the forecast impact of the reduction of the corporation tax rate from 20%, to the substantively enacted rate of 17%.

**11. Ordinary share capital**

(\$ in millions)	2018	2017
<b>Allotted, issued and fully paid:</b>		
656,648,411 ordinary shares of £0.10 each (2017: 656,648,411)	<b>106.6</b>	<b>106.6</b>

**12. Dividends**

The Company paid dividends of \$332.0m during the period from January to July, 2018 (50.56 cents per share). For the year ended 31 December 2017 the Company paid dividends of \$195.0m (29.70 cents per share) and \$185.0m (28.17 cents per share) for the 2017 interim dividend and the 2016 final dividend, respectively.

For the period from January to July, 2018 the Company received dividends of \$332.0m from its 100% owned subsidiary Inmarsat Global Limited. For the year ended 31 December 2017, the Company received dividends of \$380.0m and \$32.6m from its 100% owned subsidiaries Inmarsat Global Limited and Inmarsat Launch Company Ltd.

**13. Events after the balance sheet date**

On August 17, 2018 the Company issued 100 ordinary shares at a par value of £0.1 for a consideration of \$441 million to Inmarsat Investments Limited. Additionally the company purchased an additional 100 ordinary shares at a par value of £1 in Inmarsat Global Limited for \$441 million. Both transactions reflect non adjusting events for the balance sheet as at July 31, 2018. There have been no other material events which would affect the information reflected in the balance sheet of the Company.

# ***Inmarsat Ventures Limited***

***(Registered Number: 03674573)***

***Balance Sheet and Notes  
As at 31<sup>st</sup> July 2018***