

SADIS COST RECOVERY ADMINISTRATIVE GROUP

TWELFTH MEETING

(London, November 3-4 2011)

DEPRECIATED ASSETS: SADIS COSTS

(presented by the United Kingdom)

REFERENCES

SADIS Agreement

SCRAG Reports 1-11

1. INTRODUCTION

1.1 The format and detail of presentation of the accounts for presenting the value of major assets is in accordance with Conclusion 1/5 of the SCRAG/1 Report.

1.2 Information was required under the following headings:

1. Original Value
2. Depreciation Charge in current year.
3. Total Accumulated charge in current year.
4. Net Depreciated value at the end of the Year.

2. DISCUSSION

2.1 TABLE 1 identifies these values.

These headings represent:

1. Original Hub Investment, Trial Systems and capitalized operation asset.
2. Two-way enhanced VSATs and Development
3. SADIS 2G Operational System
4. SADIS 2G Hardware Refresh
5. SADIS Gateway

- 2.2 The original value of each inventory item was fully paid-off on 31st May 2001. The remaining capital costs for the two-way VSATs became fully depreciated at the end of 2002. At the end of 2003 the two-way VSAT programme was disbanded and the associated hub equipment no longer appears as part of the SADIS inventory.
- 2.3 Hub equipment that was purchased for the SADIS 2G Broadcast resulted in new depreciation charges with effect from 2004. This equipment became fully depreciated at the end of 2008.
- 2.4 The SADIS Gateway became operational in July 2003. The total capital cost of £227,462 was depreciated between July 2003 and June 2008.
- 2.5 In 2009, a hardware refresh of the SADIS2G uplink equipment was approved by SADISOPSG/14. Procurement of the equipment commenced in September 2009. The total equipment cost of £59988 is to be depreciated over a period of 60 months commencing 1 October 2009 in line with the SADIS Provider's accounting policies.

TABLE 1

(1) Inventory of Assets: 2011	(2) Original Value	(3) Depreciated charges in 2011	(4) Total accumulated depreciation	(5) Net depreciated values at end of 2011
Original HUB Investment, Trial Systems and Capitalized Operation Asset	£713,769	£0	£713,769	£0
Two-Way Hub enhancement, VSATS and development	£375,000	£0	£375,000	£0
SADIS 2G Operational System	£87,428	£0	£87,428	£0
SADIS 2G Hardware Refresh	£59,988	£11,616	£28,044	£31,944
Total UKMO	£1,236,185	£11,616	£1,204,241	£31,944
SADIS Gateway	£227,462	£0	£227,462	£0

3. CONCLUSION

3.1 The figures in TABLE 1 are provided to support the requirement of the SCRAG/12 Report.

4. ACTION

4.1 SCRAG/12 is requested to note the information contained in this document and approve the depreciation charges applicable from 2011 to 2015 inclusive.