

**SADIS COST RECOVERY ADMINISTRATIVE GROUP**  
**TENTH MEETING**

(Paris, November 6 2009)

**DEPRECIATED ASSETS: SADIS COSTS**  
(presented by the United Kingdom)

**REFERENCES**

SADIS Agreement

SCRAG Reports 1-9

**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 New hub equipment that was purchased for the SADIS 2G Broadcast resulted in new depreciation charges with effect from 2004. This equipment will become 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 £57,738 is to be depreciated over a period of 36 months commencing 1 October 2009 in line with the SADIS Provider's accounting policies.

**TABLE 1**

(1) Inventory of Assets: 2009	(2) Original Value	(3) Depreciated charges in 2009	(4) Total accumulated depreciation	(5) Net depreciated values at end of 2009
<b>Original HUB Investment, Trial Systems and Capitalized Operation Asset</b>	£713,769	£0	£713,769	£0
<b>Two-Way Hub enhancement, VSATS and development</b>	£375,000	£0	£375,000	£0
<b>SADIS 2G Operational System</b>	£87,428	£0	£87,428	£0
<b>SADIS 2G Hardware Refresh</b>	£57,738	£4,812	£4,812	£52,926
<b>Total UKMO</b>	£1,233,935	£4,812	£1,181,009	£52,926
<b>SADIS Gateway</b>	£227,462	£0	£227,462	£0

### **3. CONCLUSION**

3.1 The figures in TABLE 1 are provided to support the requirement of the SCRAG/10 Report.

### **4. ACTION**

4.1 SCRAG/10 is requested to note the information contained in this document and approve the additional depreciation charges applicable from 2009 to 2012 inclusive.