

SADIS COST RECOVERY ADMINISTRATIVE GROUP
EIGHTEENTH MEETING

(London, UK, 30th October 2018)

Agenda Item 3: Review of actual SADIS costs and cost shares for the period 1 January to 31 December 2017

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

REFERENCES

SADIS Agreement
SCRAG Reports 1-18

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
6. Midlife upgrade of SADIS Gateway
7. Replacement of essential SADIS 2G hardware

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. The total equipment cost of £59,988 was depreciated between October 2009 and September 2014.

2.6 In 2014, a midlife upgrade of the SADIS Gateway was approved by SADISOPSG/19. The total capital costs of £187,330 is to be depreciated over a period of 60 months, commencing January 2015 in line with the SADIS Gateway Provider's accounting policies.

2.7 In 2015, it became necessary to replace an essential item of equipment (CP6000 CPU of the Megapac V-IX with a CP7000 CPU of Megapac V-IX) at a cost of £28,220 for hardware. This equipment became fully depreciated on 31 December 2016.

TABLE 1

(1) Inventory of Assets: 2017	(2) Original Value	(3) Depreciated charges in 2017	(4) Total accumulated depreciation	(5) Net depreciated value at end of 2017	(6) Net depreciated value at end of 2018
Original HUB Investment, Trial Systems and Capitalized Operation Asset	£713,769	£0	£713,769	£0	£0
Two-Way Hub enhancement, VSATS and development	£375,000	£0	£375,000	£0	£0
SADIS 2G Operational System	£87,428	£0	£87,428	£0	£0
SADIS 2G Hardware Refresh	£59,988	£0	£59,988	£0	£0
SADIS Gateway	£227,462	£0	£227,462	£0	£0
SADIS Gateway Mid-life upgrade	£187,330	£37,466	£112,398	£74,932	£37,466
SADIS Uplink replacement hardware	£28,220	£0	£28,220	£0	£0
Total UK	£1,679,197	£37,466	£1,604,268	£74,932	£37,466

3. CONCLUSION

3.1 The figures in TABLE 1 are provided to support the requirement of the SCRAG/19 Report.

4. ACTION

4.1 SCRAG/18 is requested to note the information contained in this document and approve the depreciation charges applicable for 2017.

4.2 The final value associated with TABLE 1 will be zeroed in the next payment to NATS. The SCRAG is requested to decide the future of this paper.