

**BABCOCK –MOXEY LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1999**

**Company number 84992**



**BABCOCK-MOXEY LIMITED**

**DIRECTORS AND ADVISORS**

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**DIRECTORS**

H M Mahy  
N G Campbell  
N R Young

**SECRETARY**

R S Martin

**REGISTERED OFFICE**

The Lodge  
Badminton Court  
Church Street  
Amersham  
Bucks HP7 ODD

**AUDITORS**

Arthur Andersen  
20 Old Bailey  
London EC4M 7AN

## **FINANCIAL STATEMENTS**

The directors present their report and financial statements for the year ended 31 March 1999.

## **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the profit or loss for that period. In preparing those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **PRINCIPAL ACTIVITY**

During the year the company did not trade. It is not anticipated that this status will change in the future

# BABCOCK-MOXEY LIMITED

## DIRECTORS' REPORT (continued) For the year ended 31 March 1999

### DIRECTORS

The directors of the company during the year and since the year end were:-

H M Mahy  
N G Campbell  
N R Young

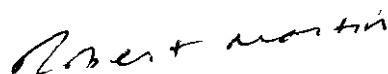
None of the directors has any beneficial interest in the shares of the company. Mr Young is also a Director of the ultimate parent company and his interest in the shares and share options of that company is disclosed in that company's accounts.

The interests of the other director's in the shares of the company's ultimate parent company were as follows:

	Ordinary shares	Ordinary shares	Share options	Share options
	31 March 1999	31 March 1998	31 March 1999	31 March 1998
H M Mahy	4,289	4,289	117,738	65,304
N G Campbell	-	-	119,354	67,276

No director had any material interest during the year in any contract with the company or its subsidiaries requiring disclosure under Section 317 of the Companies Act 1985.

By order of the Board



R S Martin  
Secretary

2 September 1999

**AUDITORS' REPORT**  
**to the shareholders of Babcock-Moxey Limited**

We have audited the financial statements on pages 4 and 5 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Fundamental uncertainty**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the possible outcome to litigation against the company. The future settlement of this litigation could result in additional liabilities and the possible winding up of the company. The financial statements have been prepared on a going concern basis, the validity of which depends on the future settlement of this litigation and the availability of any funding required. The financial statements do not include any adjustments that would result from a failure to settle this. Details of the circumstances relating to this fundamental uncertainty are described in note 2. Our opinion is not qualified in this respect.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1999 and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**  
**Chartered Accountants and Registered Auditors**  
**20 Old Bailey**  
**London, EC4M 7AN**

**2 September 1999**

**BABCOCK-MOXEY LIMITED****BALANCE SHEET**  
**as at 31 March 1999**

	Notes	1999	1998
		£	£
<b>Current assets</b>			
<b>Debtors</b>			
Amounts owed by group undertakings		20,477	20,477
<b>Capital and reserves</b>			
Called up share capital	3	20,477	20,477

The company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the year ended 31 March 1999.

The financial statements on pages 4 and 5 were approved by the Board on 2 September 1999 and signed on its behalf by:



**N G Campbell**  
**Director**

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

**1 Accounting policies****Basis of accounting**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**2 Outstanding litigation**

In November 1995, the company was joined as a third party to legal proceedings commenced in 1992 between the Ports Corporation of Queensland and a supplier company. The company believes that the claim is deficient in a number of respects and is refuting liability. Accordingly no provision has been made in these financial statements.

**3 Called-up share capital**

	1999 £	1998 £
<i>Authorised</i>		
30,000 Ordinary shares of £1 each	<b>30,000</b>	30,000
<i>Allotted, called-up and fully paid</i>		
20,477 Ordinary shares of £1 each	<b>20,477</b>	20,477

**4 Financial commitments**

At 31 March 1999 the company had no commitments for capital expenditure (1998 – £nil).

**5 Directors remuneration and employee costs**

No director received any remuneration during the year in respect of services to the company. The company has no employees.

**6 Ultimate parent company**

The directors' regard Babcock International Group PLC, a company registered in England and Wales, as the company's ultimate parent undertaking.

Babcock International Group PLC is the parent undertaking of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of those group accounts are available from:

Company Secretary  
Babcock International Group PLC  
Badminton Court  
Church Street  
Amersham  
Buckinghamshire  
HP7 0DD