

**TYNEHAM INVESTMENTS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2012**

**Company registration number:**  
**1064494**

TUESDAY



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18/12/2012

#348

COMPANIES HOUSE

**Directors**

W Tame  
F Martinelli

**Company Secretary**

E Payne (Appointed 27 July 2012)  
V Teller (Resigned 27 July 2012)

**Registered office**

33 Wigmore Street  
London  
W1U 1QX

**Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2012

**Principal activities**

The principal activity of the company is that of a holding company. There are no plans to alter significantly the business of the company.

**Results and dividends**

The profit for the financial year was £26,400,000 (2011: £nil) and this has been transferred to reserves.

The Company received dividends of £26,400,000 during the year (2011: £nil). The Company paid a dividend on ordinary shares of £26,000,000 (£191,176.47 per share) during the year (2011: £nil).

**Key performance indicators (KPIs)**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

**Principal risks and uncertainties**

The management of the business is subject to a number of risks. Procedures are in place across the Group to identify, assess and mitigate major business risks. The management risk is an integral part of our operational review process and is supplemented at Group level by independent challenge and review by the Group Risk Manager and the Audit and Risk Committee. Further details can be found in the Babcock International Group PLC Financial Statements pages 40-43.

**Qualifying third party indemnity provisions**

Under their respective Articles of Association, the directors of the company are, and were during the year to 31 March 2012, entitled to be indemnified by the company against liabilities and costs incurred in connection with the execution of their duties or the exercise of the powers, to the extent permitted by the Companies Act 2006.

**Financial risk management**

All treasury transactions are carried out only with prime rated counter-parties. Financial risk is managed in accordance with Group policies and procedures. For further information refer to Note 2 of the Babcock International Group PLC financial statements.

**Charitable and political donations**

In the year ended 31 March 2012 the Company made no charitable donations (2011: £nil). There were no political contributions during the financial year (2011: £nil).

**Directors of the company**

The directors who held office during the year and up to the date of signing the financial statements were as follows:

W Tame  
F Martinelli

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

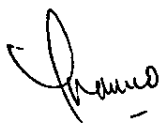
### **Auditors and the disclosure of information**

So far as the directors are aware, there is no relevant audit information, being information required by the auditors in connection with the preparation of the auditors' report, of which the auditors are unaware. Having made enquiries of fellow directors, each director has taken all steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Reappointment of independent auditors**

A resolution proposing to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board 11 December 2012



F Martinelli

**Director**

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**Independent auditors' report to the members of Tyneham Investments Limited**

We have audited the financial statements of Tyneham Investments Limited for the year ended 31 March 2012 which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of directors' responsibilities on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



John Baker (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

11 December 2012

**Tyneham Investments Limited**  
**Profit and loss account**  
**for the year ended 31 March 2012**

	Notes	2012 £	2011 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	-
Operating profit		-	-
Income from shares in group undertaking		<b>26,400,000</b>	-
Profit on ordinary activities before taxation	2	<b>26,400,000</b>	-
Tax on profit on ordinary activities	4	-	-
Profit for the financial year		<b>26,400,000</b>	-

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents

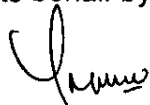
There were no other recognised gains or losses aside from those shown in the Profit and loss account and therefore no separate statement of total recognised gains and losses has been presented

All results derive from continuing operations

**Tyneham Investments Limited**  
**Balance sheet as at 31 March 2012**

	Notes	2012 £	2011 £
<b>Fixed asset investments</b>	5	-	-
<b>Current assets</b>			
Debtors	6	560,000	160,000
Cash at bank and in hand		28	28
<b>Creditors – amounts falling due within one year</b>	7	<u>(160,048)</u>	<u>(160,048)</u>
<b>Net current assets / (liabilities)</b>		<u>399,980</u>	<u>(20)</u>
<b>Capital and reserves</b>			
<b>Called up share capital</b>	8	136	136
Profit and loss account	9	<u>399,844</u>	<u>(156)</u>
<b>Total shareholder's funds / (deficit)</b>	10	<u>399,980</u>	<u>(20)</u>

The financial statements on pages 7-13 were approved by the board of directors and signed on its behalf by



F Martinelli  
 Director

11 December 2012



## **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

### *Basis of preparation*

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

### *Investments in subsidiary undertakings*

Fixed asset investments are stated at cost less provision for impairment in value. Any impairment is recognised in the profit and loss account in the period in which it arises.

### *Taxation*

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. The taxation liabilities of certain group companies may be reduced, wholly or in part, by surrender of losses by fellow group companies. The decision to charge group relief is made on a case by case basis.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### *Group financial statements*

The Company has taken advantage of Section 400 of the Companies Act 2006 and has not prepared group accounts as it is a wholly owned subsidiary undertaking of Babcock International Group PLC which prepares consolidated financial statements which are publicly available.

### *Cash flow statement*

The Company has taken advantage of the exemption in Financial Reporting Standard 1 (revised 1996) to dispense with the requirement to prepare a cash flow statement in its financial statements, as a consolidated cash flow statement is included in the financial statements of the ultimate parent company, which are publicly available.

**2. Profit on ordinary activities before taxation**

Auditors' remuneration in respect of audit services is borne by Babcock International Group PLC in the current and prior years

**3. Staff costs and Directors remuneration**

There were no staff employed during the financial year and none (2011 none) and none of the directors received remuneration in respect of their services to the Company during the financial year under review

The directors are remunerated by other group companies

**4. Tax on profit on ordinary activities**

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Current tax		
UK Corporation tax on profits of the year	-	-
Adjustment in respect of prior years	-	-
Group relief for consideration	-	-
Current tax charge for the year	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustment in respect of prior years	-	-
ACT irrecoverable written off	-	-
Impact of change in UK tax rate	-	-
Tax (credit)/charge	-	-

The tax assessed for the year is lower (2011 lower) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2012 of 26% (2011 28%) The differences are explained below

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>26,400,000</b>	-
Tax on profit on ordinary activities at standard UK corporation tax rate of 26% (2011 28%)	<b>6,864,000</b>	-
Effects of		
Timing differences	-	-
Intangible amortisation not deductible for tax purposes	-	-
Expenses not deductible for tax purposes	-	-
Prior year adjustments	-	-
Group relief for nil consideration	-	-
Income not subject to tax	<b>(6,864,000)</b>	-
Current tax charged for the year	-	-

*Factors affecting current and future tax charges*

A number of changes to the UK Corporation tax system were announced in the March 2012 Budget Statement. Legislation to reduce the main rate of corporation tax from 26% to 24% from 1 April 2012 is included in the Finance Act 2012.

Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2013. These further changes had not been substantively enacted at the balance sheet date and, therefore the impact is not included in these financial statements.

**5. Fixed asset investments**

	£
Cost	
At 1 April 2011 and at 31 March 2012	8
Provision for Impairment	
At 1 April 2011 and at 31 March 2012	8
Net Book Value	
At 31 March 2012	-
At 31 March 2011	-

The Company has an investment in Birchill Investment Company Limited, which is registered in England and Wales

**6. Debtors**

	2012	2011
	£	£
Amounts owed by subsidiary undertakings	560,000	160,000

All amounts owed by subsidiary undertakings are non-interest bearing, and are repayable on demand

**7. Creditors – amounts falling due within one year**

	2012	2011
	£	£
Amounts owed to subsidiary undertakings	160,048	160,048

All amounts owed to subsidiary undertakings are non-interest bearing and are repayable within one year

**8. Called-up share capital**

	2012	2011
	£	£
<b>Authorised</b>		
200 (2011 200) ordinary shares of £1 each	200	200
<b>Allotted, called up and fully paid</b>		
136 (2011 136) ordinary shares of £1 each	136	136

**9. Profit and Loss account**

	£
At 1 April 2011	(156)
Profit for the year	26,400,000
Dividends paid	<u>(26,000,000)</u>
<b>At 31 March 2012</b>	<b><u>399,844</u></b>

**10. Reconciliation of movement in Shareholders' funds / (deficit)**

	2012 £	2011 £
Opening Shareholders' funds / (deficit)	(20)	(20)
Profit for the year	26,400,000	-
Dividends paid	<u>(26,000,000)</u>	-
<b>Closing Shareholders' funds / (deficit)</b>	<b><u>399,980</u></b>	<b><u>(20)</u></b>

**11. Related party disclosures**

The Company, as a wholly owned subsidiary, has taken advantage of the exemption, granted under Financial Reporting Standard 8, Related Party Disclosures, from disclosing details of sales and purchases with other members of the group headed up by Babcock International Group PLC

**12. Ultimate parent undertaking**

The Company's immediate parent company is Babcock Holdings Limited, a company registered in England and Wales. The Company's ultimate parent company and ultimate controlling party is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the Company are consolidated is that headed by Babcock International Group PLC. Copies of Babcock International Group PLC Financial Statements are available from the following address:

The Company Secretary  
Babcock International Group PLC  
33 Wigmore Street  
London  
W1U 1QX