

Babcock Contractors Limited

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

Company No: 1398475



Babcock Contractors Ltd

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

Board of Directors:	R W J Fletcher C R Bates H M Mahy P Rose
Company Secretary:	H M Mahy
Registered Office:	11 The Boulevard Crawley West Sussex RH10 1UX United Kingdom
Company Number:	1398475

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Babcock Contractors Ltd

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997

The Directors submit their report for the year ended 31 March 1997.

1. Principal Activity

During the year ended 31 March 1997, the Company traded solely as an agent on a non profit-making basis for its Parent Company and the relevant transactions are accordingly reflected in the books of the Parent Company. It is not anticipated that this status will change.

2. Results and Dividends

The Company did not trade during the year. There was neither a profit nor loss in the year ended 31 March 1997 (1996 - nil). The Directors do not recommend the payment of a dividend (1996 - nil).

3. Directors

The Directors of the Company during the year ended 31 March 1997 were:

Mr R W J Fletcher	(Appointed 11th December 1996)
Mr C R Bates	(Appointed 3rd February 1997)
Mr A J Brimble	(Resigned 11th December 1996)
Mr M Vaux	(Resigned 31st May 1996)
Ms H M Mahy	(Appointed 31st May 1996)
Mr P Rose	

4. Directors' Interests

No Director had an interest in the shares of Babcock Contractors Ltd, or in the shares or debentures of any group undertaking except as stated in Note 5.

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.

Babcock International Group PLC maintains insurance to cover Directors' and Officers' liabilities as permitted under Section 310(3)a, Companies Act 1985 as amended.

5. Directors' Rights to Acquire Shares of the Ultimate Holding Company

Options to subscribe for shares in Babcock International Group PLC were granted as follows:

	<u>At 31 March 1997</u>	<u>On Appointment or as at 1 April 1996</u>
P Rose	40,019	40,019
R W J Fletcher	154,362	-

Babcock Contractors Ltd

Directors' Report for the Year Ended 31 March 1997

6. 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 and 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
- 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 to 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.

7. Auditors

In accordance with the provisions of Section 250 of the Companies Act 1989, the Company, being dormant within the meaning of the said Section, is not required to appoint auditors.

By Order of the Board

A handwritten signature in black ink, appearing to read 'H M Mahy', with a long horizontal flourish extending to the right.

H M Mahy
Company Secretary

13 May 1997

Babcock Contractors Ltd

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

BALANCE SHEET as at 31 March 1997

	<u>Notes</u>	1997 <u>£</u>	1996 <u>£</u>
Current Assets:			
Debtors - owed by Parent Company		100 =====	100 =====
Capital and Reserves:			
Share Capital	2	100 =====	100 =====

The Company was dormant within the meaning of Section 250 of the Companies Act 1989 throughout the year ended 31 March 1997.

These financial statements were approved by the Board of Directors on 13 May 1997



C R Bates
Director

13 May 1997

The notes on Page 6 form part of these financial statements.

Babcock Contractors Ltd

NOTES TO FINANCIAL STATEMENTS

1. Accounting Policies

BASIS OF ACCOUNTING

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

2. Share Capital

	<u>1997</u>	<u>1996</u>
Ordinary Shares of £1		
Authorised - number	100	100
- value	£100	£100
Called up, issued and fully paid - number	100	100
- value	£100	£100

3. Directors' Emoluments

No Director received any remuneration during the year in respect of services to the Company.

4. Capital Commitments/Contingent Liabilities

At 31 March 1997 the Company had no commitments for capital expenditure or contingent liabilities (1996 - nil).

5. Ultimate Parent Company

The Directors consider Babcock International Group PLC (registered in England and Wales) to be the Company's ultimate parent company. This is the largest and smallest group of companies for which group accounts are drawn up and of which the Company is a member.

Copies of Babcock International Group PLC accounts are available to the public from the following address:

The Secretary
Babcock International Group PLC
Badminton Court
Church Street
Amersham
Bucks HP7 0DD