

BAE Systems Projects (Canada) Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Registered Number: 02082545

WEDNESDAY



AB8N05YQ

A04

20/07/2022

#175

COMPANIES HOUSE

Contents

Directors' Report	2
Directors' Responsibilities Statement	3
Income Statement	4
Statement of Comprehensive Income	4
Balance Sheet	5
Statement of Changes in Equity	5
Notes to the Financial Statements	6

Directors' Report

Company registration

The Company is a private company, limited by shares and registered in England and Wales with the registered number 02082545.

Results and dividends

The Company's profit for the financial year is C\$nil (2020: profit C\$nil). The directors do not propose a dividend (2020: C\$nil).

Business review and principal activities

Following the sale of the business at the end of 2018, the principal activity of the Company is to act as a holding company. There has been no significant change in the nature and level of this activity during the period and the directors do not expect this to change significantly during the next financial period.

Going concern

Given the management decision to transfer its business to BAE Systems (Canada) Inc. at the end of 2018 the Company has ceased to trade and will remain as a holding company, therefore the financial statements have been prepared on a going concern basis. After making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue operational existence for at least 12 months from the date of approval of the financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Overseas branch office

The Company has an overseas branch office in Ottawa, Canada.

Principal risks and uncertainties

As a holding company, the principal risk is that there could be a diminution in the value of the Company's investment.

Directors and their interests

The directors who served throughout the year, and up to the date of this report were as follows:

Mr R J Carroll

Mr S Timms

Mr G Scott

The Board is not aware of any contract of significance in relation to the Company in which any director has, or has had, a material interest.

Approved by the Board and signed on its behalf by



Mr G Scott
Director

27 June 2022

Registered office:
BAE Systems Projects (Canada) Limited
Warwick House
PO Box 87
Farnborough Aerospace Centre
Farnborough
Hampshire
GU14 6YU
United Kingdom

Directors' Responsibilities Statement

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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework.

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 estimates that are reasonable and prudent; and
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

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.

Income Statement

for the year ended 31 December 2021

	Notes	2021 C\$m	2020 C\$m
Revenue		-	-
Operating costs		-	-
Operating profit		-	-
Profit before finance costs and tax		-	-
Investment income		-	-
Profit before tax		-	-
Tax expense		-	-
Profit for the year		-	-

Statement of Comprehensive Income

for the year ended 31 December 2021

	2021 C\$m	2020 C\$m
Profit for the year	-	-
Total other comprehensive income for the year	-	-

The notes on pages 6 to 8 form part of the financial statements.

The results for 2021 and 2020 arise from discontinued activities.

Balance Sheet
as at 31 December 2021

	Notes	2021 C\$m	2020 C\$m
Non-current assets			
Investments	7	2.7	2.7
		2.7	2.7
Total assets		2.7	2.7
Net assets		2.7	2.7
Capital and reserves			
Share capital	8	-	-
Retained earnings		2.7	2.7
Total equity		2.7	2.7

The company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

Approved by the Board on 27 June 2022 and signed on its behalf by



Mr. G Scott
Director

Registered number: 02082545

Statement of Changes in Equity

for the year ended 31 December 2021

	Notes	Share Capital C\$m	Retained earnings C\$m	Total equity C\$m
At 1 January 2021		-	2.7	2.7
At 31 December 2021			2.7	2.7
A 1 January 2020		-	2.7	2.7
At 31 December 2020		-	2.7	2.7

Notes to the Financial Statements

1 Accounting policies

BAE Systems Projects (Canada) Limited (the Company) is a private company, limited by shares, and registered in England and Wales and incorporated in the United Kingdom. Its ultimate controlling party is BAE Systems plc. The address of the Company's registered office is shown on page 2.

These financial statements, which have been prepared in accordance with the Companies Act 2006, are presented in Canadian dollars which is both the functional and presentational currency and, unless otherwise stated, rounded to the nearest million.

Basis of preparation

These financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework. The Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements, to present comparative information in respect of: paragraph 79(a)(iv) of IAS 1; paragraph 73(e) of IAS 16 Property, Plant and Equipment; paragraph 118(e) of IAS 38 Intangible Assets; and paragraphs 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures, to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The Company intends to continue to prepare its financial statements in accordance with FRS 101.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, BAE Systems plc, a company registered in England and Wales. Accordingly, these financial statements present information about the Company as an individual undertaking and not as a group.

The following paragraphs summarise the main accounting policies of the Company and have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of relevant financial assets and financial liabilities (including derivative instruments). These financial statements have been prepared on a basis other than going concern as noted in the Director's Report.

Judgements made in applying accounting policies

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies, other than those involving estimates, that have had a significant effect on the amounts recognised in the financial statements.

Significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated. The directors believe that the financial statements reflect appropriate judgements and estimates, and provide a true and fair view of the Company's financial performance and position.

Notes to the Financial Statements *(continued)*

1 Accounting policies *(continued)*

Dividends

Dividends received and receivable are credited to the Company's Income Statement. Equity dividends paid on ordinary share capital are recognised as a liability in the period in which they are declared.

Investments

Fixed asset investments in shares in subsidiary undertakings and in shares in participating interests are stated at cost less provision for impairment.

Impairment

The carrying amounts of the Company's investments are reviewed at each Balance Sheet date to determine whether there is any indication of impairment as required by IAS 36 Impairment of Assets. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate pre-tax discount rate. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are recognised in the Income Statement.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the Balance Sheet date. These exchange differences are recognised in the Income Statement.

Trade and other payables

Trade and other payables are stated at amortised cost.

Tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences:

- on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- related to investments in subsidiaries and equity accounted investments to the extent that it is probable that they will not reverse in the foreseeable future; and
- arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to corporate income taxes levied by the same tax authority and they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Notes to the Financial Statements (continued)

2 Investments

	C\$m
Carrying value	
At 1 January 2021	2.7
Additions	-
At 31 December 2021	2.7

Subsidiary undertaking and participating interests at 31 December 2021

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiary undertakings and significant holdings as at 31 December 2021 is disclosed below. The subsidiary undertaking is owned directly by the Company and has a financial year end of 31 December.

Company name	Class of shares held	Proportion of class (%)	Primary activity
BAE Systems (Canada) Inc 220 Laurier Ave West, Suite 1200, Ottawa, Ontario, K1P 5Z9, Canada	Ordinary shares of C\$1	100	Submarine support

3 Share capital

Share capital

	C\$1 Ordinary shares	Nominal value C\$
Authorised	100	100
Issued and fully paid		
At 1 January 2021, 31 December 2021	5	5

The holders of the shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The directors propose a dividend of C\$nil for 2021 (2020: C\$nil).

4 Controlling parties

The immediate parent company is BAE Systems Marine (Holdings) Limited and the ultimate controlling party is BAE Systems plc, which is the only parent company preparing group financial statements. Both companies are incorporated in the United Kingdom and registered in England and Wales.

The consolidated financial statements of BAE Systems plc are available to the public and may be obtained from its registered address:

6 Carlton Gardens
London
SW1Y 5AD

Website: www.baesystems.com