

BAE Systems Communications Limited

Annual report and financial statements

31 December 2015

Registered number: 02279305



Contents

Directors' report	3
Statement of directors' responsibilities in respect of the directors' report and the financial statements	4
Independent auditor's report to the members of BAE Systems Communications Limited	5
Income statement and statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	7
Notes to the accounts	8

Directors' report

The directors present their report, together with the financial statements, for the year ended 31 December 2015.

Company registration

BAE Systems Communications Limited is a private company, limited by shares and registered in England and Wales with the registered number 02279305.

Principal activities and business review

The Company has not traded in the year.

Dividends

The directors do not propose a dividend for 2015 (2014: nil).

Going concern

BAE Systems Communications Limited has ceased to trade and, on this basis' the financial statements have not been prepared on a going concern basis.

Directors and their interests

The directors who served during the year and at the date of this report were as follows:

A-L Holding
D S Parkes

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.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, KPMG LLP, has indicated its willingness to continue in office and in accordance with section 487(2) of the Companies Act 2006, has been re-appointed.

On behalf of the Board



D S Parkes

Director

7 July 2016

Registered office:
Cashhold Limited
Warwick House
PO Box 87
Farnborough Aerospace Centre
Farnborough
Hampshire
GU14 6YU
England
United Kingdom

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including 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;

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of BAE Systems Communications Limited

We have audited the financial statements of BAE Systems Communications Limited for the year ended 31 December 2015 set out on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2015 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

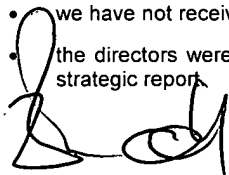
Emphasis of matter – non-going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Mike Barradell
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
15 Canada Square
London
E14 5GL

7 July 2016

Income statement and statement of comprehensive income

for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Net intercompany debtors and creditors written off on dissolution of fellow subsidiary undertakings		-	4,437
Profit before taxation		-	4,437
Taxation expense	4	-	-
Profit for the year		-	4,437
Total comprehensive income for the year		-	4,437

The notes on pages 8 to 10 form part of the financial statements.

Balance sheet

as at 31 December 2015

	Notes	2015 £'000	2014 £'000
Current assets			
Trade and other receivables	5	2,386	2,386
		2,386	2,386
Current liabilities			
Trade and other payables	6	(40,613)	(40,613)
		(40,613)	(40,613)
Net liabilities		(38,245)	(38,245)
Capital and reserves			
Issued share capital	7	7,500	7,500
Retained earnings deficit	8	(45,745)	(45,745)
Total equity		(38,245)	(38,245)

Approved by the Board on 7 July 2016 and signed on its behalf by:


D S Parkes
Director

Registered number: 02279305

Statement of changes in equity

for the year ended 31 December 2015

	Issued share capital	Retained earnings	Total equity
	£'000	£'000	£'000
At 1 January 2014	7,500	(50,182)	(42,682)
Profit for the year	-	4,437	4,437
At 31 December 2014	7,500	(45,745)	(38,245)
At 31 December 2015	7,500	(45,745)	(38,245)

Notes to the accounts

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework. Amendments to FRS 101 (2013/14 Cycle), issued in July 2014, and effective for periods beginning on or after 1 January 2015, has been applied. Amendments to FRS 101 (2014/15 cycle and other minor amendments), issued in July 2015, and effective for periods beginning on or after 1 January 2016, has been early adopted and applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the EU (EU-adopted 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 paragraphs 45(b) and 46 to 52 of IFRS 2, Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3, Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7, Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13, Fair Value Measurement;
- 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;
- 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; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, Impairment of Assets.

In its transition to FRS 101, the Company has applied IFRS 1, whilst ensuring that its assets and liabilities are measured in compliance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information for the year ended 31 December 2014 and the opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheets, the Company has reviewed the requirements to adjust amounts reported in financial statements prepared in accordance with its previous basis of accounting. The transition to FRS 101 has had no effect on the Company's financial performance and position as previously reported.

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

The directors intend to liquidate the company, and, accordingly, the financial statements have not been prepared on a going concern basis.

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.

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.

Notes to the accounts (continued)

1 Accounting policies (continued)

Trade and other receivables

Trade and other receivables are stated at their cost less provision for bad debts. A provision for bad debt is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other payables

Trade and other payables are stated at their cost.

Tax

Current tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income. It is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

2 Employees

None of the directors received any emoluments from the Company during the year. All directors who served during the year were employed by BAE Systems plc and were remunerated through that company. The company has no employees (2014: nil).

3 Operating costs

The auditor's remuneration of £4,000 has been borne by BAE Systems plc (2014: £4,000).

4 Taxation expense

Reconciliation of taxation expense

The following reconciles expected income tax, using the UK corporate tax rate, to reported tax.

	2015 £'000	2014 £'000
Profit before taxation	-	4,437
UK corporation tax rate	20.25%	21.5%
Expected income tax income/(expense) on (loss)/profit	-	(954)
Expenses not tax effected	-	(337)
Income not subject to tax	-	1,291
Imputed interest income	(10)	-
Losses received from group companies	10	-
Taxation expense	-	-

Provision for deferred tax is not required.

5 Trade and other receivables

	2015 £'000	2014 £'000
Current		
Amounts owed by parent company	2,368	2,368
	2,368	2,368

6 Trade and other payables

	2015 £'000	2014 £'000
Current		
Amounts due to fellow subsidiary undertakings	40,613	40,613
	40,613	40,613

Notes to the accounts (continued)

7 Share capital

	£1 Ordinary shares	Nominal Value £'000
Issued and fully paid		
At 1 January and 31 December 2015	7,500,000	7,500

8 Controlling parties

The immediate and ultimate parent company is BAE Systems plc, a company incorporated in Great Britain and registered in England and Wales.

The consolidated accounts of BAE Systems plc are available to the public and may be obtained from:

6 Carlton Gardens,
London,
SW1Y 5AD

Website: www.baesystems.com