

Registration No. 2426124

UNDERWATER MANAGEMENT ASSOCIATES LIMITED

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2001



UNDERWATER MANAGEMENT ASSOCIATES LIMITED

REPORT OF THE DIRECTORS

The Directors present their report for the year ended 31st December 2001.

Activities

The Company has not traded on its own account during the year.

Directors

The Directors of the Company during the year were:

Mr. D.S. Parkes (appointed 7th February 2001)
Mr. P.J. Lynas

None of the Directors is due to retire from the Board under the provisions of the Company's Articles of Association.

None of the Directors has (or has had) any beneficial interest in the share capital of the Company, (or any subsidiary company of the BAE SYSTEMS group of companies). The Directors interests in the share capital of the Company's ultimate holding company, BAE SYSTEMS plc, were as follows:

Directors	Ord. Shares of 2.5p		Share Options			
	1.1.01*	31.12.01	1.1.01*	Exercised	Granted	31.12.01
D.S.Parkes	241	241	17,048	944	11,133	27,237
P.J. Lynas	-	-	62,441	-	54,498	116,939

* or later date of appointment

Mr. P.J. Lynas also held 792 CALS at 31.12.2001

BY ORDER OF THE BOARD


D.S. Parkes
Secretary

Warwick House
P O Box 87
Farnborough Aerospace Centre
Farnborough
Hampshire
GU14 6YU

20th June 2002

UNDERWATER MANAGEMENT ASSOCIATES LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2001

	<u>2001</u> £	<u>2000</u> £
Current assets		
Amounts due from group undertakings	2	2
	—	—
Capital and reserves		
Called up Share Capital (Note 4)	2	2
	=	=

- (a) For the year ended 31st December 2001 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
- ensuring the company keeps accounting records which comply with section 221; and
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These accounts were approved by the Board of Directors on 20th June 2002 and were signed on its behalf by:



D.S. Parkes
Director

The notes on page 4 form part of these accounts.

UNDERWATER MANAGEMENT ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS

1. Profit and Loss Account

The Company has not traded during the accounting period, has received no income and incurred no expenditure, and consequently has made neither a profit nor a loss. A profit and loss account has therefore not been prepared.

2. Directors' Emoluments

No Director received any emoluments from the Company during the year (2000: £nil).

3. Amount Owed by Group Companies

The amount owed by group companies is in respect of a loan to BAE SYSTEMS plc. The loan bears no interest and is repayable on demand.

4. Share Capital

	Authorised £	Issued £
Share Capital		
At 1 January 2001 and 31 December 2001		
Shares of £1 each fully paid	<u>100</u>	<u>2</u>

5. Ultimate Holding Company

The immediate holding company is BAE SYSTEMS Marine (Holdings) Limited, the ultimate holding company is BAE SYSTEMS plc, a company incorporated in Great Britain, and registered in England and Wales. The BAE SYSTEMS group and the BAE SYSTEMS Marine group are the only groups of which the Company is a member for which group accounts are prepared. Copies of the group accounts of BAE SYSTEMS plc and BAE SYSTEMS Marine Limited can be obtained from 6 Carlton Gardens, London, SW1Y 5AD.