

BIL Solutions Limited

Directors' report and financial statements

Registered number 02888907

31 March 2009

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BIL Solutions Limited
Directors' report and financial statements

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BIL Solutions Limited

Directors' report and financial statements

The directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2009.

On the 31st March 2009 BIL Solutions Ltd sold all of its assets and liabilities (excluding the bank balance) to its immediate parent company VT Nuclear Services Ltd for consideration of the book value of the net assets plus £1.

The company traded normally during the year but as of 1st April 2009 its principal activities will be carried out by its immediate parent company VT Nuclear Services Ltd.

Principal Activities

During the year the principal activities of the company have been: -

- Sale of proprietary radiometric instruments to nuclear sites
- Sale of third party equipment to nuclear sites and also to non nuclear customers
- Servicing and calibration of radiometric equipment
- Provision of specialist technical and analytical support to the UK and overseas markets

Business review

The results for the year are set out on page 7.

Key performance indicators:

	2009	2008
	£000	£000
Turnover	23,056	22,079
Operating profit	2,634	1,852

The company has grown operating profit by 42% compared to the prior year. The main contributions to this successful growth have been increases in gross profit in the following business areas:

- Services South £0.4m
- Instrument Delivery £0.9m
- Chemical, Biological, Radiological and Nuclear £0.4m

The year to March 2009 has been one of consolidation and preparation for re-competition of a number of existing NDA service contracts. The business will be continued in VT Nuclear Services Ltd and the business intends to focus on the key principles of excellent customer service and delivery in order to retain existing contracts and grow the business for the future. To achieve this, two major initiatives have been put in place:

- The company has developed a customer excellence programme called "Customer First". The programme is key to the company achieving its objective "to be the number one engineering service provider to the nuclear industry" through the provision of the best quality customer services versus its competitors.
- The company has also set up a Nuclear Advisory Board consisting of key figures in the nuclear industry. The role of the Board is to challenge and test the strategic direction of the business as set out by the leadership team.

BIL Solutions Limited

Directors' report and financial statements

The directors' report *(continued)*

Principal Risks and Uncertainties

During the year the company's largest operational risk has been the management of contracts to customer satisfaction. This is managed via regular project appraisals and continued dialogue with the customers as programmes progress. In addition, all major contracts have a live risk register.

The company is exposed to risks associated with the contamination of workplace sites, non-compliance with environmental, health and safety law and personal injury claims resulting from injuries sustained at work. A comprehensive framework of policies and procedures are in place to minimise this risk and the result is our excellent safety record.

Financial instruments

The company generates sufficient cash through its normal operations to cover its working capital requirements. The company does not have any loan debt and therefore there is no exposure to significant interest rate risk.

The company uses forward currency contracts to reduce foreign exchange exposure on any significant assets, liabilities or transactions. The company does not engage in speculative treasury arrangements, and all of its activities are designed to support underlying business activities. All treasury activities are carried out under policies agreed by the parent company.

Dividend

The Directors do not recommend a dividend for the year ended 31 March 2009 (2008: *£nil*).

Research and Development

Research and development costs for the year amounted to £177,000 (2008: £208,000)

Directors

The directors of the company during the year were as follows:

JJ Chubb	(appointed 1 st September 2008)
J Collins	
PC Hamer	(resigned 30 June 2008)
PJ Harrison	
PJ Lester	
P McIntosh	(appointed 15 August 2008, resigned 30 July 2009)
D Walsh	(resigned 1 st August 2008)

None of the directors benefited from qualifying third party indemnity provisions in place during the financial year or at the date of this report.

Policy and practice on payment of creditors

The company's policy, in relation to all of its suppliers, was to settle the terms of payment when agreeing the terms of the transaction provided always that it is satisfied the supplier has provided the goods or services in accordance with the agreed terms and conditions.

Charitable and political donations

There were no political donations during the year (2008: *nil*). Charitable donations to UK charities amounted to £nil (2008: £2,479).

BIL Solutions Limited
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The directors' report *(continued)*

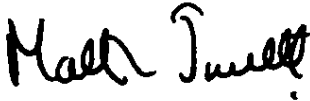
Disclosure of information to auditors

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 auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



MP Jowett
Secretary

 November 2009

BIL Solutions Limited
Directors' report and financial statements

Statement of directors' responsibilities in respect of the directors' report and 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).

The financial statements are required by law to 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;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a 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.



KPMG Audit Plc

St James' Square
Manchester
M2 6DS

Independent auditors' report to the members of BIL Solutions Limited

We have audited the financial statements of BIL Solutions Limited for the year ended 31 March 2009 which comprise the profit and loss account, the balance sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of BIL Solutions Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

18 December 2009

BIL Solutions Limited
Directors' report and financial statements

Profit and loss account
for the year ended 31 March 2009

	Notes	2009 £000	2008 £000
Turnover	2	23,056	22,079
Cost of sales		<u>(15,358)</u>	<u>(15,498)</u>
Gross profit		7,698	6,581
Administrative expenses:			
Other		(4,564)	(4,479)
Exceptional restructuring costs	5	<u>(500)</u>	<u>(250)</u>
		<u>(5,064)</u>	<u>(4,729)</u>
Operating profit		2,634	1,852
Interest receivable and similar income	6	169	29
Interest payable and similar charges	7	<u>(58)</u>	<u>(82)</u>
Profit on ordinary activities before taxation	8	2,745	1,799
Tax on profit on ordinary activities	9	<u>(894)</u>	<u>648</u>
Profit for the financial year	17	<u>1,851</u>	<u>2,447</u>

The above results for 2009 relate to discontinuing activities in BIL Solutions Ltd.

There are no recognised gains or losses in either the current, or the prior year, other than the results presented above and therefore no separate statement of total recognised gains and losses has been presented.

BIL Solutions Limited
Directors' report and financial statements

Balance sheet
at 31 March 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Tangible assets	10	-	2,831
Current assets			
Stocks	11	-	152
Debtors	12	468	10,516
Cash at bank and in hand		9,002	2,174
		9,470	12,842
Creditors: amounts falling due within one year	14	-	(6,642)
Net current assets		9,470	6,200
Total assets less current liabilities		9,470	9,031
Provisions for liabilities and charges	15	-	(1,412)
Net assets		9,470	7,619
Capital and reserves			
Called up share capital	16	2,000	2,000
Profit and loss account	17	7,470	5,619
Shareholder's funds	18	9,470	7,619

These financial statements were approved by the board of directors on 24 November 2009 and were signed on its behalf by:

Philip Harris —

PJ Harrison
Director

BIL Solutions Limited

Directors' report and financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with UK generally accepted accounting principles using the historical cost convention.

Under Financial Reporting Standard 1 (1996 Revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is wholly owned subsidiary undertaking.

In addition, advantage has been taken of the exemption available under Financial Reporting Standard 8, not to disclose details of transactions with VT Group plc or other group undertakings, as the consolidated financial statements of VT Group plc in which the company is included, are publicly available.

Turnover

Turnover, which is stated net of value added tax, represents the value of products delivered and services rendered to customers. For contracts entered into for the provision of services extending over a period of years (long-term contracts), turnover represents the value of work done in the year including where appropriate estimates of amounts not invoiced.

Tangible assets and depreciation

The cost of tangible assets comprises the purchase price and any directly attributable costs incurred in acquiring the assets. Where assets are constructed, the cost will also include an appropriate share of overheads based on normal operating capacity.

Depreciation is provided on tangible fixed assets, except freehold land and assets in the course of construction, at rates calculated to write off the cost less residual value of each asset on a straight line basis over the expected useful life as follows:

Freehold land	-	nil
Freehold buildings	-	50 years
Leasehold building improvements	-	unexpired period of lease
Plant and machinery	-	3 to 10 years
Fixtures and fittings	-	3 to 10 years

Stocks

Stocks are held at the lower of cost and net realisable value. For purchased stocks cost includes all costs incurred in acquiring the stocks and bringing them to their current location and condition, in the case of work in progress and finished goods, cost is taken as production cost which includes an appropriate proportion of attributable overheads.

Notes *(continued)*

1 Accounting policies *(continued)*

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Deferred taxation assets are recognised only to the extent that in the opinion of the directors, there is a reasonable probability that the asset will crystallise in the foreseeable future.

Pension costs

On the 31st March 2009 all employees of the company transferred to its immediate parent VT Nuclear Services Ltd along with associated retirement benefits. During the year certain employees were members of the Shipbuilding Industry Pension Scheme, or the Electricity Supply Pension Scheme, both providing benefits based on final pensionable pay. The company was unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis and therefore the schemes are accounted for as if they were defined contribution schemes. As a result, the amount charged to the profit and loss account represented the contributions payable to the schemes in respect of the accounting period.

Research and development expenditure

Research and development expenditure on projects not specifically recoverable directly from customers is charged to the profit and loss account in the year in which it is incurred.

Foreign currencies

Transactions denominated in foreign currencies are recorded in local currency at the rate of exchange ruling on the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the year end exchange rates or at the rates at which they are hedged if appropriate. Gains and losses on translation are included in the profit and loss account.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate pre-tax discount rate.

Leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

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Notes (continued)

2 Analysis of turnover

	2009	2008
	£000	£000
By destination:		
United Kingdom	22,641	21,655
Europe - EU	35	305
Rest of world	380	119
	23,056	22,079

Turnover and profits arose from the principal activities of the company and originated in the United Kingdom.

3 Staff numbers and costs

The average number of persons (including directors) employed by the company during the year was as follows:

	Number of employees	
	2009	2008
Direct labour	199	198
Administrative staff	33	37
	232	235

The aggregate payroll costs of these persons were as follows:

	2009	2008
	£000	£000
Wages and salaries	7,828	8,536
Social security costs	656	737
Pension costs (note 20)	1,894	1,172
	10,378	10,445

4 Remuneration of directors

	2009	2008
	£000	£000
Directors' emoluments	-	-

None of the directors received remuneration for their services to the company in the current year as the services provided to the company are incidental to their wider role in the group (2008: nil).

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Notes *(continued)*

5 Exceptional items

	2009	2008
	£000	£000
Restructuring provision	<u>500</u>	<u>250</u>

The restructuring exceptional item relates to amounts provided for employee redundancy costs.

6 Interest receivable and similar income

	2009	2008
	£000	£000
Bank interest receivable	<u>169</u>	<u>29</u>

7 Interest payable and similar charges

	2009	2008
	£000	£000
Bank charges	<u>3</u>	2
Other financing charges	<u>55</u>	<u>80</u>
	<u>58</u>	<u>82</u>

8 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2009	2008
	£000	£000
Employee costs (<i>note 3</i>)	10,378	10,445
Depreciation of owned fixed assets	411	605
Operating leases:		
Land and buildings	53	38
Other	110	118
Net foreign exchange trading gains	-	(1)
Research and development	177	208
Auditors remuneration:		
Audit of these financial statements	<u>10</u>	<u>30</u>

Fees paid to the company's auditors, KPMG Audit Plc, and its associates, for services other than statutory audit of the company, are disclosed on a consolidated basis in the financial statements of the ultimate parent undertaking, VT Group plc.

BIL Solutions Limited
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Notes *(continued)*

9 Taxation

	2009	2008
	£000	£000
<i>Current tax</i>		
Tax charge/(credit) on profit for current year	454	(948)
Adjustment in respect of prior years	127	648
Total current tax charge/(credit)	581	(300)
<i>Deferred tax</i>		
Deferred tax charge for current year	285	207
Effect of change in tax rate	-	95
Adjustment in respect of prior years	28	(650)
Total deferred tax charge/(credit)	313	(348)
Tax charge/(credit) on profit on ordinary activities	894	(648)

Factors affecting the tax charge for the current period

The current tax for the year is lower (2008: lower) than the standard rate of corporation tax in the UK of 28% (2008: 30%). The differences are explained below:

	2009	2008
	£000	£000
Profit on ordinary activities before tax	2,745	1,799
Profit on ordinary activities multiplied by standard rate in UK of 28% (2008: 30%)	769	540
<i>Effects of:</i>		
Expenses not deductible for tax purposes	18	6
Difference between capital allowances and depreciation	(131)	(207)
Other timing differences	(202)	(395)
Group relief not paid for (pre acquisition by VT Group plc)	-	(892)
Adjustment in respect of prior years	127	648
Current tax charge/(credit) for the year	581	(300)

BIL Solutions Limited
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Notes *(continued)*

10 Tangible assets

	Land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Assets under construction £000	Total £000
Cost					
At beginning of year	6,169	867	4,154	24	11,214
Additions	-	180	7	-	187
Transfers	-	(35)	-	35	-
Transfer to Group undertakings	(6,169)	(1,012)	(4,161)	(59)	(11,401)
At the end of year	-	-	-	-	-
Depreciation					
At beginning of year	4,077	445	3,861	-	8,383
Charge in year	89	116	206	-	411
Transfer to Group undertakings	(4,166)	(561)	(4,067)	-	(8,794)
At end of year	-	-	-	-	-
Net book value					
At 31 March 2009	-	-	-	-	-
At 31 March 2008	2,092	422	293	24	2,831

Freehold land amounting to £312,000 (2008: £312,000) has not been depreciated.

11 Stocks

	2009 £000	2008 £000
Raw materials and consumables	-	151
Finished goods and goods for resale	-	1
	-	152

BIL Solutions Limited
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Notes *(continued)*

12 Debtors

	2009	2008
	£000	£000
Amounts falling due within one year		
Trade debtors	-	2,783
Amounts owed by Group undertakings	468	4,500
Other debtors	-	13
Prepayments and accrued income	-	1,530
Group relief receivable	-	355
Deferred taxation (<i>note 13</i>)	-	1,335
	468	10,516

13 Deferred taxation

The deferred taxation asset is analysed as follows:

Asset	£000
At beginning of year	1,335
Charge to the profit and loss account for the year	(313)
Transfer to Group Undertakings	(1,022)
At end of year	-

The elements of deferred taxation are as follows:

	2009	2008
	£000	£000
Decelerated capital allowances	-	690
Other timing differences	-	645
Deferred tax asset (<i>note 12</i>)	-	1,335

14 Creditors: amounts falling due within one year

	2009	2008
	£000	£000
Payments received on account	-	150
Trade creditors	-	258
Amounts owed to Group undertakings	-	1,173
Accruals and deferred income	-	2,419
Other creditors, including other taxes and social security	-	2,642
	-	6,642

BIL Solutions Limited
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Notes *(continued)*

15 Provisions for liabilities and charges

	Nuclear £000	Warranties £000	Restructure £000	Contract £000	Total provisions £000
At beginning of year	193	499	700	20	1,412
Top up for inflation and reversal of discounting	7	-	48	-	55
Created during the year	-	50	793	4	847
Released during the year	-	(5)	-	-	(5)
Utilised during the year	-	(131)	(208)	(22)	(361)
Transfer to Group undertakings	(200)	(413)	(1,333)	(2)	(1,948)
At end of year	-	-	-	-	-

16 Called up share capital

	2009 £000	2008 £000
Authorised, issued and fully paid 2 million ordinary shares of £1 each	2,000	2,000

17 Reserves

	Profit and loss account £000
At beginning of year	5,619
Profit for the year	1,851
At end of year	7,470

18 Reconciliation of movements in shareholder's funds

	2009 £000	2008 £000
Profit on ordinary activities after taxation	1,851	2,447
Net increase in shareholder's funds	1,851	2,447
Opening shareholder's funds	7,619	5,172
Closing shareholder's funds	9,470	7,619

BIL Solutions Limited
Directors' report and financial statements

Notes *(continued)*

19 Financial commitments

Annual commitments under non-cancellable operating leases, including land and buildings, are as follows:

	2009 £000	2008 £000
Operating leases which expire		
Within one year	-	8
Within one to two years	-	-
Within two to five years	-	63
	<hr/> -	<hr/> 71

20 Pension arrangements

On the 31st March 2009 all employees of the company transferred to its immediate parent VT Nuclear Services Ltd along with associated retirement benefits.

During the year certain employees were members of the Electricity Supply Pension Scheme or the Shipbuilding Industry Pension Scheme, both providing benefits based on final pensionable pay. The company was unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis and therefore accounts for the scheme on a defined contribution basis.

The Electricity Supply Pension Scheme pension charge for the year amounted to £241,000 (2008: £165,000). There were outstanding contributions of £nil (2008: £19,000) payable to the fund at the year end.

The Shipbuilding Industry Pension Scheme pension charge for the year amounted to £1,652,000 (2008: £270,000). There were outstanding contributions of £nil (2008: £136,000) payable to the fund at the year end.

21 Related party transactions

The company, being a wholly owned subsidiary of VT Group plc has taken advantage of the exemption from the disclosure requirements as available in para. 3(c) of FRS8.

22 Ultimate parent company

The company is a subsidiary undertaking of VT Nuclear Services Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent company is VT Group plc, a company incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are reported, is that headed by VT Group plc. The consolidated financial statements are available to the public at that company's registered office of VT House, Grange Drive, Hedge End, Southampton, SO30 2DQ.