

**Registered number: 03184898**

## **LOCKHEED MARTIN UK HOLDINGS LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



## **LOCKHEED MARTIN UK HOLDINGS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	J W Mollard P Ruddock P Livingston
<b>Company secretary</b>	C M Bradden J K Fasick
<b>Registered number</b>	03184898
<b>Registered office</b>	C/o Lockheed Martin Uk Limited Legal Counsel Building 7000 Langstone Technology Park Langstone, Havant Hampshire PO9 1SW
<b>Independent auditors</b>	Ernst & Young LLP Wessex House 19 Threefield Lane Southampton SO14 3QB
<b>Bankers</b>	Citibank Canada Square Canary Wharf London E14 5LB

# **LOCKHEED MARTIN UK HOLDINGS LIMITED**

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## LOCKHEED MARTIN UK HOLDINGS LIMITED

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

#### Principal activity and review of business

The principal continuing activities of the company is to act as an investment parent undertaking for the Lockheed Martin Corporation in the UK.

The Lockheed Martin UK Holdings group operates through its direct and indirect subsidiary undertakings Lockheed Martin UK Limited, Lockheed Martin Ampthill Limited, Lockheed Martin UK Strategic Systems Limited, Lockheed Martin Helicopter Ltd, HMT Vehicles Limited, UK Seabed Resources Limited, Seabed Resources Development Limited and AWE Management Limited. These subsidiaries trade as total systems integrator and prime contractor on various defence and non-defence related platforms, the design and manufacture of weapon simulators and training equipment, and the management and operation of the UK's Atomic Weapons Establishment. The company also holds direct investments in a UK-based joint-venture entity Ascent Flight Training (Holdings) Limited.

Key performance indicators for the company include Investment income, Earnings Before Tax (EBT), and Net Assets. The results for 2018, compared to 2017 are shown in the table below:

	2018	2017
Investment income	£101.0m	£1.0m
EBT	£102.0m	£2.0m
Net Assets	£296.9m	£410.4m

Investment income and EBT was higher for 2018 compared to 2017 due to an increase in dividend income. The net assets decreased following a dividend distribution of £215.5m to the parent company in December 2018.

#### Principal risks and uncertainties

The principal risk is that the company acquires an unsuccessful investment, however this risk is mitigated by acquiring investments that align to the strategic objectives of Lockheed Martin Corporation with extensive due diligence completed prior to the acquisition.

The company uses certain financial instruments to help manage its main operating risks. In particular it utilises inter-group funding balances, and cash and overdraft borrowing facilities provided by Lockheed Martin Corporation Group to manage the liquidity and cash flow risks faced. In addition, the company also uses forward foreign currency contracts provided by Lockheed Martin Corporation Group to manage the foreign exchange risks faced on funding balances held.

#### Future developments

The company is continuously looking for further investment opportunities that align with the strategic objectives of Lockheed Martin Corporation.

This report was approved by the board and signed on its behalf.



P. Ruddock  
Director

Date: 23 Sep 2019

## **LOCKHEED MARTIN UK HOLDINGS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- 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 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 to 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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £101,966,800 (2017 - £2,019,216). During the year, the company paid interim dividends of £215,500,000 (2017 - £nil). The directors do not recommend a final dividend (2017 - £nil).

#### **Directors**

The directors who served during the year and subsequently were:

A E Lines (resigned 23 August 2019)  
J W Mollard  
P Ruddock  
P Livingston (appointed 9 September 2019)

#### **Directors' liabilities**

The company has indemnified the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in force during the year and is in force as at the date of approving the directors' report.

**LOCKHEED MARTIN UK HOLDINGS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Disclosure of information to auditors**

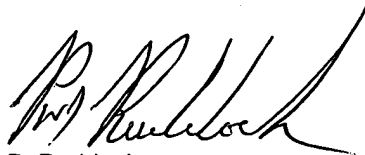
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P. Ruddock', is written over a horizontal line.

P. Ruddock  
Director

Date: 23 SEP 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCKHEED MARTIN UK HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Lockheed Martin UK Holdings Limited for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related Notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the Annual Report and Financial Statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCKHEED MARTIN UK HOLDINGS LIMITED (CONTINUED)**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCKHEED MARTIN UK  
HOLDINGS LIMITED (CONTINUED)**

**Use of our report**

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.

*Ernst & Young UK*

David Marshall (Senior statutory auditor)  
for and on behalf of Ernst & Young, Statutory Auditor  
Southampton

Date: *26/9/2019*

**LOCKHEED MARTIN UK HOLDINGS LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Administrative expenses		(34,040)	(41,142)
<b>Operating loss</b>	3	(34,040)	(41,142)
Income from shares in group undertakings		98,500,000	-
Income from other participating interests		2,500,000	1,000,000
Interest receivable and similar income	5	1,390,842	927,137
Interest payable and similar expenses	6	(373,753)	(164,663)
Other finance income		-	320,632
<b>Profit before tax</b>		101,983,049	2,041,964
Tax on profit	7	(16,249)	(22,748)
<b>Profit for the financial year</b>		<u>101,966,800</u>	<u>2,019,216</u>

**LOCKHEED MARTIN UK HOLDINGS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Profit for the financial year		101,966,800	2,019,216
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<u>101,966,800</u>	<u>2,019,216</u>

**LOCKHEED MARTIN UK HOLDINGS LIMITED**  
**REGISTERED NUMBER:03184898**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	8	376,572,511	372,822,511
		<u>376,572,511</u>	<u>372,822,511</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	13,835,783	8,344,968
Cash at bank and in hand		11,979,115	29,235,385
		<u>25,814,898</u>	<u>37,580,353</u>
Creditors: amounts falling due within one year	10	(105,518,618)	(873)
<b>Net current (liabilities)/assets</b>		<u>(79,703,720)</u>	<u>37,579,480</u>
<b>Total assets less current liabilities</b>		<u>296,868,791</u>	<u>410,401,991</u>
<b>Net assets</b>		<u>296,868,791</u>	<u>410,401,991</u>
<b>Capital and reserves</b>			
Called up share capital	11	178,203,408	178,203,408
Profit and loss account		118,665,383	232,198,583
		<u>296,868,791</u>	<u>410,401,991</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



P. Ruddock  
(Director)

Date: 23 Sep 2019

**LOCKHEED MARTIN UK HOLDINGS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2017</b>	11,105,130	230,179,367	241,284,497
Profit for the year	-	2,019,216	2,019,216
Shares issued during the year	167,098,278	-	167,098,278
<b>At 1 January 2018</b>	<u>178,203,408</u>	<u>232,198,583</u>	<u>410,401,991</u>
Profit for the year	-	101,966,800	101,966,800
Dividends paid	-	(215,500,000)	(215,500,000)
<b>At 31 December 2018</b>	<u><u>178,203,408</u></u>	<u><u>118,665,383</u></u>	<u><u>296,868,791</u></u>

## **LOCKHEED MARTIN UK HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1. Accounting policies**

##### **1.1 Basis of preparation**

Lockheed Martin UK Holdings Limited is a limited liability company incorporated in England. The Registered Office address is Lockheed Martin UK Limited, Legal Counsel Building 7000, Langstone Technology Park, Langstone, Havant, Hampshire, PO9 1SW.

The financial statements of Lockheed Martin UK Holdings Limited were approved for issue by the Board of Directors on the date shown on the balance sheet.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

##### **1.2 Exemption from preparing consolidated financial statements**

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

The company has utilised the exemption under FRS 102 section 1.12 as a subsidiary undertaking whose ultimate parent undertaking prepares consolidated group financial statements that are publicly available, and has adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes;
- Financial instrument disclosures and hedge accounting disclosures;
- Share based payment arrangements;
- Key management personnel compensation; and
- Transactions with other wholly owned subsidiaries of Lockheed Martin Corporation group.

##### **1.3 Foreign currency translation**

###### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

## **LOCKHEED MARTIN UK HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1. Accounting policies (continued)**

##### **1.4 Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted at the balance sheet date.

##### **1.5 Valuation of investments**

Investments are recorded at cost. The carrying values of investments in subsidiary undertakings and joint venture entities are reviewed for impairment if events indicate that the carrying value may not be recoverable.

##### **1.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **1.7 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **1.8 Financial instruments**

The Company uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency and interest rate fluctuations. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is designated and documented at its inception. Such hedges are expected at inception to be highly effective in offsetting changes in fair value or cash flows and are assessed on a regular basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

For the purpose of hedge accounting, hedges are classified as cash flow hedges, when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement. The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends on the nature of the hedging relationship.

## LOCKHEED MARTIN UK HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1. Accounting policies (continued)

##### 1.8 Financial instruments (continued)

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while the ineffective portion is recognised in profit or loss. Amounts taken to other comprehensive income are transferred to the income statement when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs.

#### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statement, the directors have made the following judgements:

- That the fair value of the company's investments are no lower the cost originally paid. Factors taken into account in reaching such a decision include the economic viability and expected future performance of the investment asset.

#### 3. Operating loss

Auditors' fees of £16,500 (2017 - £15,000) are paid and borne by a fellow subsidiary undertaking of Lockheed Martin Corporation.

#### 4. Directors' remuneration

	2018 £	2017 £
	467,840	548,598
<b>Remuneration</b>	<b>467,840</b>	<b>548,598</b>

Directors' remuneration above is paid and borne by a fellow subsidiary undertaking of Lockheed Martin Corporation. One director was eligible and is a member of the company pension scheme (2017 – one director).

The amounts in respect of the highest paid director were £467,840 (2017: £548,598)

#### 5. Interest receivable

	2018 £	2017 £
Interest receivable from joint venture	311,342	324,643
Other interest receivable	1,079,500	602,494
	<b>1,390,842</b>	<b>927,137</b>



# **LOCKHEED MARTIN UK HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

### **6. Interest payable and similar expenses**

	2018 £	2017 £
Interest payable to group undertakings	373,753	164,663
	<u>373,753</u>	<u>164,663</u>

### **7. Taxation**

	2018 £	2017 £
<b>Current Tax:</b>		
Current tax on profits for the year	-	-
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	16,249	18,396
Changes to tax rates	-	4,352
<b>Total deferred tax</b>	<u>16,249</u>	<u>22,748</u>
<b>Tax charge</b>	<u>16,249</u>	<u>22,748</u>

#### **Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>101,983,049</u>	<u>2,041,964</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	19,376,779	393,078
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	(30,019)
Dividends from UK companies	(19,190,000)	(192,466)
Other differences leading to an increase (decrease) in the tax charge	16,249	4,282
Group relief	(186,779)	(152,127)
<b>Total tax charge for the year</b>	<u>16,249</u>	<u>22,748</u>

# LOCKHEED MARTIN UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 8. Fixed asset investments

	Investments in subsidiary companies £	Investment in joint ventures £	Total £
<b>Cost or valuation</b>			
At 1 January 2018	372,008,511	1,414,000	373,422,511
Additions	3,750,000	-	3,750,000
At 31 December 2018	375,758,511	1,414,000	377,172,511
<b>Impairment</b>			
At 1 January 2018	-	600,000	600,000
At 31 December 2018	-	600,000	600,000
<b>Net book value</b>			
At 31 December 2018	375,758,511	814,000	376,572,511
At 31 December 2017	372,008,511	814,000	372,822,511

### Direct subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Lockheed Martin UK Limited	Ordinary	100 %	Systems integration and development of weapons simulation equipment
Lockheed Martin UK Ampthill Limited	Ordinary	100 %	Defence contractor and integrator
HMT Vehicles Limited	Ordinary	100 %	Defence research and development
Lockheed Martin UK Strategic Systems Limited	Ordinary	100 %	Defence contractor
UK Seabed Resources Limited	Ordinary	100 %	Undersea exploration
Seabed Resources Development Limited	Ordinary	100 %	Undersea exploration
Lockheed Martin Helicopter Company Limited	Ordinary	100 %	Holding company

### Indirect Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
AWE Management Limited	Ordinary	51 %	Management and operation of the UK's Atomic Weapons Establishment
Polskie Zakłady Lotnicze sp. z o.o	Ordinary	100 %	Helicopter service and repair

# LOCKHEED MARTIN UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 8. Fixed asset investments (continued)

Name	Registered office
Lockheed Martin UK Limited	C/o Lockheed Martin Uk Limited, Legal Counsel, Building 7000 Langstone Technology Park, Langstone, Havant, Hampshire, England, PO9 1SW
Lockheed Martin UK Ampthill Limited	Reddings Wood, Ampthill, Beds, MK45 2HD
HMT Vehicles Limited	Lockheed Martin, Legal Counsel, Reddings Wood, Ampthill, Bedfordshire, England, MK45 2HD
Lockheed Martin UK Strategic Systems Limited	C/O Brodies Llp, 15 Atholl Crescent, Edinburgh, EH3 8HA
UK Seabed Resources Limited	Lockheed Martin UK Limited, Legal Counsel Building 7000, Langstone Technology Park, Langstone, Hampshire, England, PO9 1SW
Seabed Resources Development Limited	Lockheed Martin Uk Limited, Legal Counsel Building 7000, Langstone Technology Park, Langstone, Hampshire, England, PO9 1SW
Lockheed Martin Helicopter Company Limited	Lockheed Martin Uk Limited, Legal Counsel Building 7000, Langstone Technology Park, Langstone, Hampshire, England, PO9 1SW
AWE Management Limited	Room 20, Building F161.2 Atomic Weapons Establishment, Aldermaston, Reading, England, RG7 4PR
Polskie Zakłady Lotnicze sp. z o.o	ul. Wojska Polskiego 3 39-300 Mielec, POLSKA

### Participating interests

#### Joint ventures

Name	Country of incorporation	Class of shares	Holding	Principal activity
Ascent Flight Training (Holdings) Limited	United Kingdom	Ordinary	50%	Parent undertaking for Defence related flying training services

### 9. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	-	5,311,103
Amounts owed by joint ventures and associated undertakings	13,386,098	2,739,607
Other debtors	352,192	180,516
Deferred taxation	97,493	113,742
	<u>13,835,783</u>	<u>8,344,968</u>

# LOCKHEED MARTIN UK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	105,518,618	873
	<u>105,518,618</u>	<u>873</u>

### 11. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
178,203,408 (2017 - 178,203,408) Ordinary shares of £1.00 each	178,203,408	178,203,408
	<u>178,203,408</u>	<u>178,203,408</u>

### 12. Related party transactions

The Company has utilised the exemption under FRS 102 as a subsidiary undertaking not to disclose transactions with other entities that are wholly owned parts of, or investors of, the Lockheed Martin Corporation group.

Lockheed Martin UK Holdings Limited received dividend income from its subsidiary undertaking AWE Management Limited totalling £nil (2017 – £nil) and its Joint Venture undertaking Ascent Flight Training (Holdings) Limited totalling £2,500,000 (2017 - £1,000,000). There were no balances outstanding due to/from AWE Management Limited at 31 December 2018 (2017– £nil).

During the year Lockheed Martin UK Holdings Ltd received from its Joint Venture undertaking Ascent Flight Training (Holdings) Limited loan capital repayments of £129,590 (2017-£124,546) and had a loan capital receivable balance outstanding at year end of £ 3,309,587 (2017-£2,659,177). The company also credited interest income in the year of £311,342 (2017-£324,643), and at year end had accrued interest receivable from Ascent Flight Training (Holdings) Limited of £76,511 (2017-£80,431).

There were no other related party transactions.

### 13. Ultimate parent undertaking and controlling party

The directors regard Lockheed Martin Corporation, a company registered in the USA, as the ultimate parent undertaking and controlling entity. Copies of the ultimate parent's group financial statements may be obtained from Lockheed Martin Investor Department, 6801 Rockledge Drive, Bethesda, Maryland, 28017, USA. Lockheed Martin Corporation is the parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up and of which the company is a member.