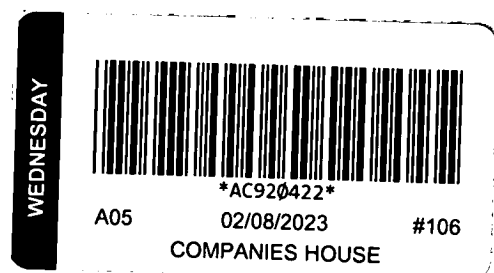


# **BAE Systems (Gripen Overseas) Limited**

## **Annual Report and Financial Statements**

**31 December 2022**

Registered number: 03473663



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## **Directors' Report**

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### **Company registration**

BAE Systems (Gripen Overseas) Limited (the "Company") is a private company, limited by shares and registered in England and Wales with the registered number 03473663.

The Company is a member of the BAE Systems plc Group ("BAE Systems Group or Group") of companies.

### **Results and dividends**

As the Company ceased trading in 2016, it incurs fees and sundry costs while the plan to close the South Africa branch is progressed. Given different reporting currencies used, the Company's result is primarily subject to the movement in exchange rates.

The Company's profit for the financial year is £3,830 (2021: £19,173). The director does not propose a dividend for 2022 (2021: £nil).

### **Business review and principal activities**

The Company was providing in-country support services to a production contract for the Gripen aircraft held by BAE Systems (Operations) Limited, in South Africa. The resolution of outstanding issues in the South Africa branch continues to progress. Once the South Africa branch has been closed, the directors intend to liquidate the Company and the expectation is that this will be in late 2023.

### **Going concern**

The Company ceased to trade in 2016 and, on this basis the financial statements have been prepared on a basis other than going concern. No adjustments have been necessary for adopting this basis.

### **Directors and their interests**

The directors who served throughout the year and up to the date of this Directors' Report, unless otherwise stated, were as follows:

D S Parkes	(resigned 27 January 2023)
P D Murphy	(resigned 16 December 2022)
B C Holburt	(appointed 21 December 2022)

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.

### **Small companies exemption**

Pursuant to Section 414(B) of the Companies Act 2006, the Company has taken advantage of the exemption from presenting a Strategic Report. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption per s415A of the Companies Act 2006.

### **Overseas branch office**

The Company has an overseas branch office in South Africa.

### **Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Directors' Report (continued)**

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**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 they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Auditor**

The auditor, Deloitte 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.

**Approved by the Board and signed on its behalf by:**



**B C Holburt**  
Director

Date: 22 June 2023

Registered office:  
BAE Systems (Gripen Overseas) Limited  
Warwick House  
PO Box 87  
Farnborough Aerospace Centre  
Farnborough  
Hampshire  
GU14 6YU

## **Directors' Responsibilities Statement**

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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 accounting estimates that are reasonable and prudent; 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 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.

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## **Independent Auditor's Report to the Members of BAE Systems (Gripen Overseas) Limited**

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### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of BAE Systems (Gripen Overseas) Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity;
- the Statement of Accounting Policies; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### **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.

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 Financial Reporting Council's (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.

#### **Emphasis of matter: Financial statements prepared on a basis other than going concern**

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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## **Independent Auditor's Report to the Members of BAE Systems (Gripen Overseas) Limited (continued)**

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### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act 2006 and the Corporation Tax Act 2010; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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**Independent Auditor's Report to the Members of BAE Systems (Gripen Overseas) Limited (continued)**

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**Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Report on other legal and regulatory requirements****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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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 in preparing the Directors' Report.

We have nothing to report in respect of these matters.



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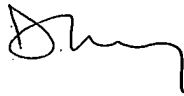
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**Independent Auditor's Report to the Members of BAE Systems (Gripen Overseas) Limited (continued)**

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**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.



Douglas King FCA (Senior statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom

Date: 22 June 2023

**Income Statement**  
for the year ended 31 December 2022

	Note	2022 £	2021 £
Operating income	3	3,830	19,173
<b>Operating profit</b>		<u>3,830</u>	<u>19,173</u>
<b>Profit before tax</b>		<u>3,830</u>	<u>19,173</u>
Tax	5	-	-
<b>Profit for the financial year</b>		<u><u>3,830</u></u>	<u><u>19,173</u></u>

**Statement of Comprehensive Income**  
for the year ended 31 December 2022

	Note	2022 £	2021 £
Profit for the financial year		3,830	19,173
<b>Other comprehensive expense:</b>			
<b>Items that may be reclassified to income statement</b>			
Currency translation on foreign currency branches	8	(10,651)	(32,424)
<b>Total other comprehensive expense for the year</b>		<b>(10,651)</b>	<b>(32,424)</b>
<b>Total comprehensive expense for the year</b>		<b>(6,821)</b>	<b>(13,251)</b>

The results for 2022 and 2021 arise from discontinued activities.

The notes on pages 12 to 20 form part of these financial statements.

**Balance Sheet**  
as at 31 December 2022

	Note	2022 £	2021 £
<b>Current assets</b>			
Trade and other receivables	6	48,529	47,565
Cash and cash equivalents		-	8,649
<b>Total assets</b>		<u>48,529</u>	<u>56,214</u>
<b>Current liabilities</b>			
Trade and other payables	7	(5,997)	(6,861)
<b>Total liabilities</b>		<u>(5,997)</u>	<u>(6,861)</u>
<b>Net assets</b>		<u>42,532</u>	<u>49,353</u>
<b>Capital and reserves</b>			
Issued share capital	8	4	4
Share premium	8	503,008	503,008
Other reserves	8	(12,988)	(2,337)
Retained deficit		(447,492)	(451,322)
<b>Total equity</b>		<u>42,532</u>	<u>49,353</u>

Approved by the Board on 22 June 2023 and signed on its behalf by:



**B C Holburt**  
Director

Registered number: 03473663

The notes on pages 12 to 20 form part of these financial statements.

**Statement of Changes in Equity**  
for the year ended 31 December 2022

	Issued share capital	Share premium account	Other reserves	Retained deficit	Total equity
	£	£	£	£	£
At 1 January 2021	4	503,008	(69,165)	(371,243)	62,604
Profit for the year	-	-	-	19,173	19,173
Other comprehensive expense	-	-	(32,424)	-	(32,424)
Reclassification of currency translation reserve on closure of branch	-	-	99,252	(99,252)	-
At 31 December 2021	4	503,008	(2,337)	(451,322)	49,353
Profit for the year	-	-	-	3,830	3,830
Other comprehensive expense	-	-	(10,651)	-	(10,651)
<b>At 31 December 2022</b>	<b>4</b>	<b>503,008</b>	<b>(12,988)</b>	<b>(447,492)</b>	<b>42,532</b>

The notes on pages 12 to 20 form part of these financial statements.

See note 8 for details on Other reserves.

## **Notes to the Financial Statements**

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### **1. General information**

BAE Systems (Gripen Overseas) Limited is a private company, limited by shares, and registered in England and Wales and incorporated in the United Kingdom. Its ultimate controlling party is disclosed in note 9. The address of the Company's registered office is shown on page 2.

The principal activity of the Company is set out in the Directors' Report on page 1. These financial statements, which have been prepared in accordance with the Companies Act 2006, are presented in pounds sterling and, unless otherwise stated, rounded to the nearest pound.

Foreign operations are included in accordance with the policies set out in note 2.2.

### **2. Accounting policies**

#### **2.1 Basis of preparation**

These financial statements have been prepared in accordance with FRS 101. The Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS"), 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 paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- 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 paragraph 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 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).

The Company ceased to trade in 2016 and, on this basis the financial statements have been prepared on a basis other than going concern. No adjustments have been necessary for adopting this basis.

#### **Key sources of estimation uncertainty**

There were no significant accounting policies that are considered by the directors to contain key sources of estimation uncertainty.

## **Notes to the Financial Statements**

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

#### **2.1 Basis of preparation (continued)**

##### **Critical accounting judgements**

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.

##### **Changes in accounting policies**

Several standards, interpretations and amendments to existing standards became effective on 1 January 2022, none of which had a material impact on the Company.

The following standards, interpretations and amendments to existing standards became effective on 1 January 2022 and have not had a material impact on the Company:

- Amendments to IFRS 3: Business Combinations, effective from 1 January 2022;
- Amendments to IAS 16: Property, Plant and Equipment, Proceeds before Intended Use effective from 1 January 2022;
- Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract effective from 1 January 2022; and
- Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle effective from 1 January 2022.

The following other standards, interpretations and amendments to existing standards have been issued but were not mandatory for accounting periods beginning on 1 January 2022. These either have been, or are expected to be endorsed by the UK Endorsement Board and are not expected to have a material impact on the Company:

- IFRS 17 Insurance Contracts, effective from 1 January 2023;
- Amendments to IFRS 17: Insurance Contracts, effective from 1 January 2023;
- Amendment to FRS 101 reduced disclosure framework, effective from 1 January 2023;
- Amendments to IAS 1: Presentation of Financial Statements, effective from 1 January 2023;
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies, effective from 1 January 2023;
- Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors, effective from 1 January 2023;
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture; and
- Amendments to IAS 12: Income Taxes, effective from 1 January 2023.

##### **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**

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**2. Accounting policies (continued)**

**2.2 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. The functional currency is pound sterling.

The assets and liabilities of foreign currency branches are translated at the exchange rates ruling at the Balance Sheet date. The Income Statements of these branches are translated at average rates of exchange during the year. All resulting exchange differences are recognised in the foreign translation reserve.

**2.3 Trade and other receivables**

Trade and other receivables are stated at amortised cost including a provision for expected credit losses. The Company measures the provision at an amount equal to lifetime expected credit losses, estimated by reference to past experience and relevant forward-looking factors.

The Company writes off a trade receivable when there is objective evidence that the debtor is in significant financial difficulty and there is no realistic prospect of recovery, for example, when a debtor enters bankruptcy or financial reorganisation.

**2.4 Trade and other payables**

Trade and other payables are stated at amortised cost.



## Notes to the Financial Statements

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### 2. Accounting policies (continued)

#### 2.5 Tax

Tax expense comprises current 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 in other comprehensive income. It 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.

##### *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 tax 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**

**3. Operating income**

	<b>2022</b>	2021
	<b>£</b>	£
Other operating charges (professional fees and office costs)	<b>6,317</b>	8,906
Foreign exchange gains	<b>(10,147)</b>	(28,079)
	<u><b>(3,830)</b></u>	<u>(19,173)</u>

The remuneration of the auditor for the year ended 31 December 2022 for auditing of the financial statements was £2,500 (2021: £2,000) and £nil (2021: £nil) in respect of non-audit work and was borne by fellow group undertaking, BAE Systems (Operations) Limited.

**4. Employees**

The Company has no employees (2021: nil).

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 or other Group companies and were remunerated through those companies. The directors did not provide any material qualifying services to the Company.

## Notes to the Financial Statements

### 5. Tax

The Company has not provided for current tax for the year as any profits will be covered by the surrender of losses from fellow group companies, in respect of which no payment will be made.

#### Total tax reconciliation

The following reconciles the expected tax expense/(income), using the UK corporation tax rate, to the reported tax result:

	2022 £	2021 £
<b>Profit before tax</b>	<b>3,830</b>	19,173
UK corporation tax rate	<b>19.00%</b>	19.00%
Expected tax expense on result	<b>728</b>	3,643
Expenses not tax effected	<b>125</b>	285
Unrecognised tax losses carried forward	<b>1,075</b>	1,402
Losses received from other group companies	<b>(1,928)</b>	(5,330)
<b>Tax result</b>	<b>-</b>	-

No provision for deferred tax is required.

#### Unrecognised deferred tax

The deferred tax asset, which has not been recognised in the financial statements, is made up as follows:

	2022 £	2021 £
Tax losses	<b>14,138</b>	<b>12,724</b>
	<b>14,138</b>	12,724

The Government announced in 2021 that from 1 April 2023 the UK corporation tax rate would increase from 19% to 25%. The unprovided deferred tax asset has been calculated at the tax rates, enacted at that date, expected to apply to the temporary differences when they reverse. (2021: 25%).

**Notes to the Financial Statements**

**6. Trade and other receivables**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
<b>Current</b>		
Trade receivables	-	21
Amounts owed by BAE Systems plc	<b>48,529</b>	47,544
	<u><b>48,529</b></u>	<u>47,565</u>

Amounts owed by BAE Systems plc are payable on demand and are unsecured. No interest is applied to amounts owed.

**7. Trade and other payables**

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
<b>Current</b>		
Trade payables	<b>47</b>	-
Accruals	<b>5,950</b>	6,861
	<u><b>5,997</b></u>	<u>6,861</u>

**Notes to the Financial Statements**

**8. Share capital and other reserves**

**Share capital**

	<b>£1 Ordinary shares</b>	<b>Nominal value £</b>
<b>Authorised</b>		
At 1 January 2021, 31 December 2021 and 31 December 2022	<u><u>1,000</u></u>	<u><u>1,000</u></u>
<b>Issued and fully paid</b>		
At 1 January 2021, 31 December 2021 and 31 December 2022	<u><u>4</u></u>	<u><u>4</u></u>
<b>Other reserves</b>		
	<b>Share premium £</b>	<b>Foreign translation reserve £</b>
<b>At 1 January 2021</b>	503,008	(69,165)
Currency translation on foreign currency branches	-	(32,424)
Reclassification of currency translation reserve on closure of branch	-	99,252
<b>At 31 December 2021</b>	<u>503,008</u>	<u>(2,337)</u>
Currency translation on foreign currency branches	-	(10,651)
<b>At 31 December 2022</b>	<u><u>503,008</u></u>	<u><u>(12,988)</u></u>

*Foreign translation reserve*

The foreign translation reserve comprises all foreign currency differences arising from the translation of the results and financial position of foreign operations. With the closure of the Swedish branch in 2021, the amount of the foreign translation reserve accumulated relating to the branch was released from the reserve above and reclassified to retained earnings. The balance remaining only relates to the South Africa branch. See statement of changes in equity on page 8 for the reclassification of this amount.

**Notes to the Financial Statements**

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**9. Controlling parties**

The immediate parent company is BAE Systems (Overseas Holdings) Limited and the ultimate parent company and controlling party is BAE Systems plc, which is both the smallest and largest 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](http://www.baesystems.com)