
Babcock Fire Services Limited

Annual report

For the year ended 31 March 2014

Company registration number:

03707192

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COMPANIES HOUSE

Babcock Fire Services Limited

Directors and advisors

Directors

N Anderson
J Davies
A Dungate
P Kingshott
F Martinelli
R Stoate
R Taylor

Company Secretary

Babcock Corporate Secretaries Limited

Registered Office

33 Wigmore Street
London
W1U 1QX

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Savannah House
3 Ocean Way
Southampton
SO14 3TJ

Strategic report for the year ended 31 March 2014

The directors present their strategic report on the Company for the year ended 31 March 2014

Principal activities

The Company's principal activities are the design, construction and maintenance of fire fighting training units for use in the provision of fire fighting training to the Royal Navy under a sub contract arrangement with Flagship Fire Fighting Training Limited, which runs until 2021.

Business review

	2014	2013
	£000	£000
Turnover	4,163	3,984
Profit for the financial year	1,851	1,526

On 22 May 2013 Babcock Defence & Security Holdings LLP, a company registered in England and Wales, acquired the entire share capital of the Company from Vosper Thorneycroft (UK) Limited, previously the immediate parent undertaking of the Company.

During the year the main activity of the Company was the maintenance of the fire fighting training units for the Naval Training Command (NTC) at Portsmouth and Plymouth through its sub-contract from Flagship Fire Fighting Training Limited. The Company's performance is monitored by a variety of qualitative measures in terms of service delivery that can result in performance deductions. To date the level of performance deductions has remained below original expectations and together with close cost control has resulted in the financial results being in line with management expectations for the year.

Further to a wider review of PFI contracts by the Government, the Ministry of Defence negotiated revised terms with Flagship Fire Fighting Training Limited to take effect from 1 April 2014. The effect of the revised terms on Babcock Fire Services Limited is to reduce the value of its contract with Flagship Fire Fighting Training Limited over the remaining term.

The Company has 7 years remaining of the original contract with the NTC in respect of the operation of the facilities, providing strong visibility of future trading income.

Future developments

It is expected that the Company will continue to run the fire fighting training units both operationally and financially, in accordance with management expectations.

The fire fighting training units contract has a requirement for a Value for Money (VFM) submission every 5 years from the contract start. The next Value For Money review is due in 2016. The last VFM submission was in June 2011 for the period up to 31 March 2011. The benchmark for the VFM review is a 25% Internal Rate of Return (IRR) for the project, taking into account historical results and expected performance for future years. The latest review is within this benchmark.

Strategic report *(continued)*

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. These are managed through the operational review process supplemented at Group level by independent challenge and review by the Group Risk Manager and the Audit and Risk Committee.

The key risk facing the Company is maintaining high quality delivery to the client, ensuring that the fire fighting training facilities are available as and when required to avoid performance deductions. This is mitigated in conjunction with the lead contractor by ensuring that there is a close working relationship with the NTC and a detailed costed maintenance schedule is in place based upon historical experience of managing similar contracts.

Further discussion of these risks and uncertainties, in the context of the group as a whole, is provided on pages 64 to 71 of the annual report of Babcock International Group PLC, which does not form part of this report.

Key performance indicators

The Company's activities are managed on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The growth and performance of Babcock Defence and Security, a division of Babcock International Group PLC, which includes the Company, is discussed on pages 26 to 31 of the Group's report, which does not form part of this report.

Financial risk management

Information on the Financial Risk Management of the Company can be found in the Directors' report.

By order of the board



P Kingshott

Director

24 June 2014

Directors' report for the year ended 31 March 2014

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2014.

Results and dividends

The Company's results for the year are set out in the profit and loss account on page 10 showing a profit for the year after tax of £1,851,000 (2013: £1,526,000). At 31 March 2014 the Company had net assets of £11,273,000 (2013: £9,422,000). A review of the Company's business during the year, together with information on the Company's risks and uncertainties are presented in the strategic report. Information on financial risk management is presented in the directors' report and there are no events since the balance sheet date that require comment.

The directors do not recommend the payment of dividend (2013: £nil).

Financial risk management

The Company's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk and interest rate cash flow risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors of Babcock International Group PLC are implemented by the group and company finance departments. Each department has a policy and procedures manual that sets out guidelines to allow it to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Price risk

The Company is exposed to price risk as a result of its operations. This risk is mitigated by specific functions which assess pricing in respect of both selling and procurement activities. The Company has no exposure to equity securities price risks as it holds no listed or other equity investments.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made. The Company also monitors existing customer accounts on an ongoing basis and takes appropriate action where necessary to minimise any potential credit risk. Cash and bank balances are held with banks that have been assigned satisfactory credit ratings by international credit rating agencies.

Liquidity risk

The Company retains access to pooled cash resources to ensure it has sufficient available funds for operations. The Company also has access to longer term funding from its ultimate parent undertaking if required.

Directors' report *(continued)*

Financial risk management *(continued)*

Interest rate cash flow risk

The Company has interest bearing assets and liabilities. Interest bearing liabilities accrue interest at a floating rate.

As the Company is susceptible to interest rate fluctuations on long term borrowings, the Company has managed this risk by the use of an interest rate swap to achieve a fixed rate borrowing.

The interest bearing assets accrue interest at a variable rate.

Future Developments

The future developments of the Company are discussed in the Strategic report.

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

N Anderson	appointed 13 May 2013
J Davies	
A Dungate	appointed 13 May 2013
P Kingshott	appointed 13 May 2013
F Martinelli	
R Stoate	appointed 13 May 2013
R Taylor	appointed 13 May 2013

Environment

The Company recognises its responsibility to minimise so far as reasonably possible the potential for adverse impacts from its operations. We aim to achieve the highest standards in environmental management and seek accreditation to appropriate standards where appropriate.

The Company has developed and implemented an environmental policy to ensure that the impact of its activities on the environment is limited to the minimum practicable level.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and these 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

Directors' report *(continued)*

Statement of directors' responsibilities *(continued)*

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;
- 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 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.

Directors' protection

Babcock International Group PLC also provides protections for directors of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third party indemnity provisions (as defined by Companies Act 2006) for the benefit of directors of Babcock International Group PLC, including, where applicable, in their capacity as a director of the Company and other companies within the Group. These indemnities came into force in 2012 and remain in force.

Disclosure of information to auditors

Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

By order of the board



P Kingshott
Director
24 June 2014

Independent auditors' report to the members of Babcock Fire Services Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements which are prepared by Babcock Fire Services Limited, comprise:

- the balance sheet as at 31 March 2014
- the profit and loss account for the year ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We have conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK and Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

Independent auditors' report to the members of Babcock Fire Services Limited *(continued)*

Report on the financial statements *(continued)*

What an audit of financial statements involves *(continued)*

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Babcock Fire Services Limited

Independent auditors' report to the members of Babcock Fire Services Limited *(continued)*

Responsibilities for the financial statements and the audit *(continued)*

Our responsibilities and those of the directors *(continued)*

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

A handwritten signature in black ink, consisting of a large, stylized 'M' followed by a horizontal line.

Michael Coffin (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

24 June 2014

Profit and loss account*for the year ended 31 March 2014*

	Notes	2014 £000	2013 £000
Turnover	2	4,163	3,984
Administrative expenses		<u>(1,850)</u>	<u>(1,882)</u>
Operating profit		2,313	2,102
Interest receivable and similar income	3	44	59
Interest payable and similar charges	3	<u>(604)</u>	<u>(701)</u>
Profit on ordinary activities before taxation	4	1,753	1,460
Tax on profit on ordinary activities	6	<u>98</u>	66
Profit for the financial year	13	<u>1,851</u>	<u>1,526</u>

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

There are no recognised gains or losses other than the profit (2013: profit) for the financial year reported above and therefore no separate statement of total recognised gains and losses has been presented.

All results derive from continuing operations.

Babcock Fire Services Limited

Balance sheet

as at 31 March 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Tangible assets	7	<u>4,913</u>	5,695
		<u>4,913</u>	5,695
Current assets			
Debtors	8	3,595	4,507
Cash at bank and in hand		<u>12,886</u>	10,866
		16,481	15,373
Creditors – amounts falling due within one year	9	<u>(3,163)</u>	(3,152)
Net current assets		<u>13,318</u>	12,221
Total assets less current liabilities		18,231	17,916
Creditors – amounts falling due after more than one year	10	(6,624)	(8,062)
Provisions for liabilities	11	<u>(334)</u>	(432)
Net assets		<u>11,273</u>	9,422
Capital and reserves			
Called-up share capital	12	50	50
Profit and loss account	13	<u>11,223</u>	9,372
Total shareholders' funds	13	<u>11,273</u>	9,422

The financial statements on pages 10-19 were approved by the board of directors and signed on its behalf by:



P Kingshott
Director
24 June 2014

Notes to the financial statements
(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently throughout the year.

Basis of preparation

These financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and UK generally accepted principles. The principal accounting policies are summarised below.

Turnover

Turnover represents the value of services provided net of value added tax, other sales taxes and trade discounts.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Turnover from services rendered is recognised by reference to the stage of completion of the transaction. Turnover from services provided on a short-term or one-off basis is recognised when the service is complete. The provision of services over a long-term period are treated as construction contracts, and the turnover recognised as set out below.

Construction contracts

Turnover from construction contracts, including long-term service provision contracts, is recognised by reference to the stage of completion of the contract. The stage of completion is determined by the costs incurred on the contract to date, to the extent that such costs represent progress made on the project. Profit attributable to the contract activity is recognised if the final outcome of such contracts can be reliably assessed. An expected loss on a contract is recognised immediately in the profit and loss account. Amounts due from customers for contract work are disclosed within debtors and payments received on account are disclosed within creditors.

Taxation

The charge for taxation is based on the profit 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 which have arisen, but not reversed, by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax 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. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Financial Instruments

The Company has entered into interest rate swap arrangements with its bankers. The Company is not required to adopt fair value accounting under FRS 26 "Financial Instruments: recognition and measurement". A fair value assessment as at the balance sheet date is performed annually and further detail is disclosed within notes 10 and 14 to these financial statements.

Notes to the financial statements *(continued)***1. Accounting policies** *(continued)***Cash flow statement**

The Company is a wholly-owned subsidiary of Babcock International Group PLC and is included in the consolidated financial statements of Babcock International Group PLC, which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

Tangible assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation.

The cost of tangible fixed assets comprises the purchase price and any directly attributable costs incurred in acquiring the assets.

Depreciation is provided on tangible fixed assets, 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:

Vehicles, plant and machinery	4 to 20 years
Leasehold buildings	20 years

Provisions for liabilities

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.

Provisions for restructuring or reorganisation are recognised when a detailed formal restructuring plan has been approved and the restructuring has either commenced, or has been publicly announced. Future operating costs are not provided for.

Related party disclosures

The Company is a wholly owned subsidiary, of Babcock International Group PLC. Consequently the Company has taken advantage of the exemption under FRS 8 not to disclose details of transactions with Babcock International Group PLC or other group undertakings, and is included in the consolidated financial statements of Babcock International Group PLC which are publicly available.

Notes to the financial statements *(continued)***2. Turnover**

Turnover is wholly attributable to the principal activities of the Company and arises solely within the United Kingdom.

3. Interest (payable)/receivable and similar (charges)/income

	2014 £000	2013 £000
Interest receivable and similar income:		
Bank Interest	44	59
Interest payable and similar charges:		
Bank interest on loans	(535)	(601)
Loan interest payable to group undertakings	(69)	(100)
	(604)	(701)

Included in interest on bank loan are amounts relating to an interest rate swap agreement with Barclays Bank plc, whereby the variable interest rate on the loan is swapped with a fixed interest rate (note 14).

4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2014 £000	2013 £000
Depreciation – owned tangible assets (note 7)	853	879

Fees paid to the Company's auditors, PricewaterhouseCoopers LLP, and its associates, for services other than the statutory audit of the Company, are disclosed on a consolidated basis in the financial statements of the ultimate parent undertaking, Babcock International Group PLC.

Fees payable for the audit to the Company's auditor of £5,000 (2013: £5,000) are borne by Babcock Flagship Limited a fellow group undertaking.

5. Directors' remuneration and employee information

None of the directors received remuneration for their services to the Company as the services provided to the Company are incidental to their wider role in the group (2013: £nil). The Company employs no staff (2013: none).

Notes to the financial statements *(continued)*

6. Tax on profit on ordinary activities

	2014	2013
	£000	£000
Current tax		
UK Corporation tax on profits for the year	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	(48)	(47)
Impact of change in UK tax rate	(50)	(19)
Total deferred tax (note 11)	(98)	(66)
Tax on profit on ordinary activities	(98)	(66)

The tax assessed for the year is lower (2013: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2014 of 23% (2013: 24%). The differences are explained below:

	2014	2013
	£000	£000
Profit on ordinary activities before tax	1,753	1,460
Profit on ordinary activities multiplied by standard UK corporation tax rate of 23% (2013: 24%)	403	350
Effects of:		
Timing differences on capital allowances and depreciation	48	47
Expenses not deductible for tax purposes	93	92
Group relief for nil consideration	(544)	(489)
Current tax charge for the year	-	-

Factors affecting current and future tax charges

A number of changes to the UK Corporation tax system were announced in the March 2012 Budget Statement. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 is included in the Finance Act 2013. Further changes to the UK corporation tax system were announced in the March 2013 Budget Statement. These included further reductions to the main corporation rate from 21% to 20% by 1 April 2015. These further changes have been substantively enacted at the balance sheet date and, therefore the impact is included in these financial statements. As a result of the above all deferred tax balances are restated at 20% at the balance sheet date.

Notes to the financial statements (continued)

7. Tangible assets

	Leasehold land and buildings £000	Vehicles, plant and machinery £000	Total £000
Cost			
At 1 April 2013	8,071	12,972	21,043
Additions	-	71	71
Disposals	-	(289)	(289)
At 31 March 2014	8,071	12,754	20,825
Accumulated depreciation			
At 1 April 2013	4,898	10,450	15,348
Charge for the year	405	448	853
Disposals	-	(289)	(289)
At 31 March 2014	5,303	10,609	15,912
Net book value			
At 31 March 2014	2,768	2,145	4,913
At 31 March 2013	3,173	2,522	5,695

8. Debtors

	2014 £000	2013 £000
Due within one year:		
Amounts recoverable on contracts	3,595	4,084
Amounts owed by group undertakings	-	423
	3,595	4,507

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. Creditors - amounts falling due within one year

	2014 £000	2013 £000
Bank loan (secured, note 10)	1,285	1,207
Amounts owed to group undertakings	916	904
Other taxes and social security	217	292
UK corporation tax payable	745	745
Accruals and deferred income	-	4
	3,163	3,152

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Notes to the financial statements *(continued)*

10. Creditors - amounts falling due after more than one year

	2014	2013
	£000	£000
Bank loan (secured)	6,026	7,311
Amounts owed to group undertakings	598	751
	6,624	8,062

The bank loan from Barclays Bank plc is secured by a fixed and floating charge over the shares and assets of Babcock Fire Services Limited.

Analysis of external bank debt:

	2014	2013
	£000	£000
Amounts due:		
In one year or less	1,285	1,207
In more than one year but not more than two years	1,368	1,285
In more than two years but not more than five years	4,658	4,375
In more than five years	-	1,651
	7,311	8,518

The bank loan is repayable by six-monthly capital and interest instalments and bears interest at a fixed rate of 5.45% (note 14). The loan is due to be repaid in full by 31 March 2019.

The group loan of £751,000 (2013: £892,000), included within amounts owed to group undertakings, is repayable by bi-annual capital and interest instalments and bears interest at a fixed rate of 8%. The loan is due to be fully repaid by 30 September 2018.

11. Provisions for liabilities

	Deferred Tax £000
At 1 April 2013	432
Credited to the profit and loss account (note 6)	(48)
Impact of change in UK tax rate	(50)
At 31 March 2014	334

The major components of the deferred tax liability are as follows:

	2014	2013
	£000	£000
Accelerated capital allowances	334	432
	334	432

Notes to the financial statements *(continued)*

12. Called-up share capital

	2014	2013
	£000	£000
Allotted, called up and fully paid		
50,000 (2013: 50,000) ordinary shares of £1 each	<u>50</u>	<u>50</u>

13. Reconciliation of movements in shareholders' funds and reserves

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 April 2013	50	9,372	9,422
Profit for the financial year	-	1,851	1,851
At 31 March 2014	<u>50</u>	<u>11,223</u>	<u>11,273</u>

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 April 2012	50	7,846	7,896
Profit for the financial year	-	1,526	1,526
At 31 March 2013	<u>50</u>	<u>9,372</u>	<u>9,422</u>

14. Fair values of financial assets and financial liabilities

The notional principal amount of the outstanding interest rate swap contracts at 31 March 2014 was £7.3m (2013: £8.5m).

At 31 March 2014, the fixed interest rate is 5.45% and the floating rate is 0.6% (GBP-LIBOR-BBA).

The Mark to Market valuation of the interest rate swap as at 31 March 2014 was a liability for £0.8m (2013: liability for £1.3m).

Notes to the financial statements *(continued)*

15. Ultimate parent undertaking

With effect from 22 May 2013, Babcock Defence & Security Holdings LLP, a company registered in England and Wales, acquired the entire issued share capital of the Company from Vosper Thornycroft (UK) Limited, previously the immediate parent undertaking of the Company.

The Company's ultimate parent undertaking and controlling party is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the Company are consolidated is that headed by Babcock International Group PLC.

Copies of Babcock International Group PLC financial statements are available from the following address.

The Company Secretary
Babcock International Group PLC
33 Wigmore Street
London W1U 1QX