

# **BAE Systems Datagate Holdings Limited**

## **Annual report and financial statements**

**31 December 2016**

Registered number: 4788209

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**Contents**

Directors' report	3
Statement of directors' responsibilities in respect of the directors' report and the financial statements	4
Balance sheet	5
Statement of changes in equity	6
Notes to the financial statements	7

## Directors' report

### Company registration

BAE Systems Datagate Holdings Limited is a private company, limited by shares and registered in England and Wales with the registered number 4788209.

### Results and dividends

The Company's result for the financial year is £nil (2015: £nil). The directors do not propose a dividend for 2016 (2015 £nil).

### Looking forward

The Company acts as a holding company. The principal activity of the Company's trading subsidiary was the provision of secure computer connectivity solutions, but it no longer trades.

### Going concern

BAE Systems Datagate Holdings Limited only subsidiary (BAE Systems Datagate Limited) ceased to trade in 2010 and on this basis, the financial statements have not been prepared on a going concern basis.

### Directors and their interests

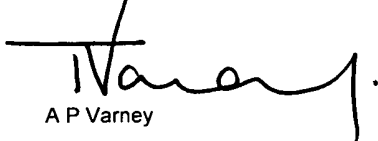
The directors who served during the year and at the date of this report were as follows:

A P Varney

P C Burke

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.

### On behalf of the Board



A P Varney

Director

22 May 2017

### Registered office:

Warwick House  
PO Box 87  
Farnborough Aerospace Centre  
Farnborough  
Hampshire  
GU14 6YU  
England  
United Kingdom

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including 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 estimates that are reasonable and prudent; and

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**Balance sheet**  
as at 31 December 2016

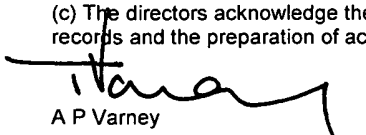
	Notes	2016 £	2015 £
<b>Current assets</b>			
Trade and other receivables	5	1,322,958	1,322,958
<b>Total assets</b>		<b>1,322,958</b>	<b>1,322,958</b>
<b>Current liabilities</b>			
Trade and other payables	6	(50,841)	(50,841)
<b>Total liabilities</b>		<b>(50,841)</b>	<b>(50,841)</b>
<b>Net assets</b>		<b>1,272,117</b>	<b>1,272,117</b>
<b>Capital and reserves</b>			
Issued share capital	8	1,000	1,000
Retained earnings		1,271,117	1,271,117
<b>Shareholders' Funds</b>		<b>1,272,117</b>	<b>1,272,117</b>

Approved by the Board on 22 May 2017 and signed on its behalf by:

(a) For the year ended 31st December 2016 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

(b) Members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

(c) The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

  
A P Varney  
Director

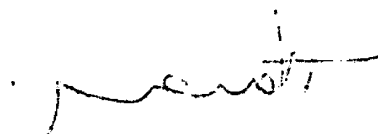
Registered number: 4788209

The notes on pages 7-10 form part of these financial statements

**Statement of changes in equity**  
for the year ended 31 December 2016

	Notes	Issued share capital	Retained earnings <sup>1</sup>	Total equity
		£	£	£
At 1 January 2015		1,000	1,271,117	1,272,117
At 31 December 2015		1,000	1,271,117	1,272,117
At 31 December 2016	8	1,000	1,271,117	1,272,117

<sup>1</sup> The non-distributable portion of retained earnings is £nil (2015: £nil).



## Notes to the financial statements

### 1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### Basis of accounting

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

#### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework. Amendments to FRS 101 (2014/15 cycle and other minor amendments) and Amendments to FRS 101 (2015/16 cycle) both effective for periods beginning on or after 1 January 2016 have been applied. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRS) as adopted by the EU (EU-adopted IFRS), 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 paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3, Business Combinations;
- the requirements of IFRS 7, Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 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 paragraphs 17 and 18A of IAS 24, Related Party Disclosures;
- 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 Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, BAE Systems plc, a Company registered in England and Wales. Accordingly, these financial statements present information about the Company as an individual undertaking and not as a group.

There has been no activity in the Company in the current or preceding year. Hence no income statement has been prepared.

The following paragraphs summarise the main accounting policies of the Company and have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. There has been no movement in reserves so no statement of changes in equity has been prepared.

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 going concern basis has not been applied in these accounts.

#### Going Concern

BAE Systems Datagate Holdings Limited only subsidiary (BAE Systems Datagate Limited) ceased to trade in 2010 and on this basis, the financial statements have not been prepared on a going concern basis.

## Notes to the financial statements (continued)

### Taxation

Income tax expense comprises current and deferred tax. Current and deferred 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 other comprehensive income.

#### Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively 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 taxation 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 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.

## 2 Directors' Remuneration

None of the directors received any emoluments from the Company during the year. All directors who served during the year were employed by other Group companies and were remunerated through those companies.

## 3 Taxation expense

No provision for current or deferred tax is required. The Company has surrendered its losses to fellow subsidiary companies free of charge as shown in the reconciliation below.

The following reconciles the expected tax (expense), using the UK corporation tax rate, to the reported tax (expense).

	2016 £	2015 £
Profit before taxation	-	-
UK corporation tax rate	20.00%	20.25%
Expected income tax (expense) on profit	-	-
Property, plant and equipment	139	172
Imputed interest income	(959)	
Losses received from/(surrendered) to group companies	820	(172)
Taxation (expense)/income	-	-



#### 4 Investments

	2016 £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	1,000
<b>Impairment</b>	
At 1 January 2016 and 31 December 2016	1,000
<b>Net book value</b>	
At 31 December 2016	-
At 31 December 2015	-

#### Subsidiary undertakings

At 31 December 2016 the Company had an interest in the following subsidiary:

	Class of shares	Total number of shares in issue	Equity interest held (%)
BAE Systems Datagate Limited Warwick House, PO Box 87, Farnborough Aerospace Centre, Farnborough, Hampshire, GU14 6YU, United Kingdom	Ordinary shares £1.00	1,000	100%

#### 5 Trade and other receivables

	2016 £	2015 £
<b>Current</b>		
Intercompany loan	270,000	270,000
Amounts due from subsidiary company	1,037,680	1,037,680
Amounts due from other group companies	15,278	15,278
	<b>1,322,958</b>	<b>1,322,958</b>

#### 6 Trade and other payables

	2016 £	2015 £
<b>Current</b>		
Owed to immediate parent company	126	126
Amounts due to subsidiary company	50,715	50,715
	<b>50,841</b>	<b>50,841</b>

#### 7 Deferred Taxation

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

	2016 £	2015 £
Property, plant and equipment	538	695

The UK Corporation tax rate will be reduced from 20% to 19% with effect from 1 April 2017, and will be reduced to 17% with effect from 1 April 2020. In line with this change, the rate applying to UK deferred tax assets and liabilities has been reduced from 18% to 17%, creating a rate adjustment in 2016.

**Notes to the financial statements** *(continued)*

**8. Share capital and other reserves**

**Share capital**

	£1 Ordinary shares	Nominal value £
<b>Issued and fully paid</b>		
At 1 January and 31 December 2016	1,000	1,000

**9 Controlling parties**

The Company's immediate parent company is BAE Systems Australia Datagate Pty Limited.

The Company's ultimate parent company is BAE Systems plc, a company incorporated in Great Britain and registered in England and Wales.

The consolidated accounts of BAE Systems plc are available to the public and may be obtained from:

6 Carlton Gardens  
London  
SW1Y 5AD.  
Website: [www.baesystems.com](http://www.baesystems.com)