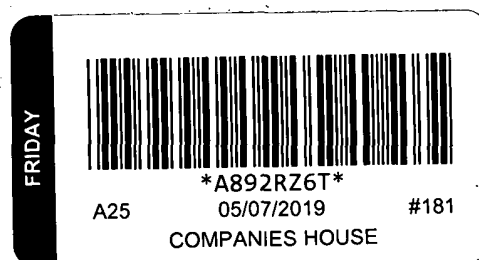


BAE Systems Datagate Holdings Limited

Annual Report and Financial Statements

31 December 2018

Registered number: 04788209



BAE Systems Datagate Holdings Limited
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31 December 2018

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Directors' Report

Company registration

BAE Systems Datagate Holdings Limited (the "Company") is a private company, limited by shares and registered in England and Wales with the registered number 04788209.

Principal activities and business review

The Company acts as a holding company. The Company has been dormant, as defined in section 1169 of the Companies Act 2006, throughout the year under review. The directors intend to dissolve the Company.

Dividends

The directors do not propose a dividend for 2018 (2017: £nil).

Going concern

The directors intend to dissolve the Company and therefore have not prepared the financial statements on a going concern basis. In order to prepare the financial statements on a break up basis no adjustments were necessary to the carrying values of the asset and liabilities of the business.

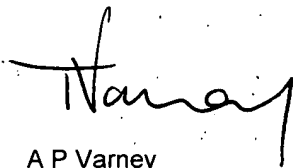
Directors and their interests

The directors who served throughout the year, except as noted, were as follows:

A P Varney
A W Morgan (appointed 2 May 2018)

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.

Approved by the Board and signed on its behalf by:



A P Varney
Director

Date: 3 July 2019

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

Directors' Responsibilities Statement

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 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; and
- make judgments and estimates that are reasonable and prudent.

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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Income Statement
For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Operating costs	2	-	(663,088)
Profit/(loss) before tax		-	(663,088)
Tax expense		-	-
Profit/(loss) for the financial year		-	(663,088)

The notes on pages 7 to 12 form part of these financial statements.

Statement of Comprehensive Income
For the year ended 31 December 2018

	Note	2018 £	2017 £
Profit/(loss) for the financial year	2	-	(663,088)
Total other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year		-	(663,088)

The notes on pages 7 to 12 form part of these financial statements.

BAE Systems Datagate Holdings Limited
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Balance Sheet
as at 31 December 2018

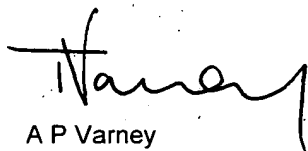
	Note	2018 £	2017 £
Current assets			
Trade and other receivables	6	659,870	659,870
		<u>659,870</u>	<u>659,870</u>
Current liabilities			
Trade and other payables	7	(50,841)	(50,841)
		<u>(50,841)</u>	<u>(50,841)</u>
Net assets		<u>609,029</u>	<u>609,029</u>
Capital and reserves			
Issued share capital	8	1,000	1,000
Retained earnings		608,029	608,029
Total equity		<u>609,029</u>	<u>609,029</u>

For the year ended 31 December 2018 the Company was entitled to exemption from audit under section 480 of Companies Act 2006 relating to dormant companies.

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.

The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the Board on 35 July 2019 and signed on its behalf by:



A P Varney
Director

The notes on pages 7 to 12 form part of these financial statements.

Registered number: 04788209

Statement of Changes in Equity
for the year ended 31 December 2018

	Issued share capital £	Retained earnings £	Total equity £
At 1 January 2017	1,000	1,271,117	1,272,117
(Loss) for the year	-	(663,088)	(663,088)
At 31 December 2018	1,000	608,029	609,029
At 31 December 2018	1,000	608,029	609,029

Notes to the Financial Statements

1. Accounting policies

1.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard (FRS) 101 "Reduced Disclosure Framework" issued September 2015. The amendments to FRS 101 (2015/16 cycle) issued in July 2016 and FRS 101 (2016/17 cycle) issued in July 2017 have no impact on the Company for the year ended 31 December 2018.

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 taken advantage of the FRS 101 disclosure exemptions where appropriate.

The Company intends to continue to prepare its financial statements in accordance with FRS 101.

The directors intend to dissolve the Company, and, accordingly, the financial statements have not been prepared on a going concern basis.

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.

1.2 Investments

Fixed asset investments in shares in subsidiary undertakings and in shares in participating interests are stated at cost less provision for impairment.

The carrying amounts of the Company's investments are reviewed at each Balance Sheet date to determine whether there is any indication of impairment as required by IAS 36, Impairment of Assets. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment losses are recognised in the Income Statement.

An impairment loss is only reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised or if there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to the Financial Statements

1. Accounting policies (continued)

1.3 Trade and other receivables

Trade and other receivables are stated at their cost less provision for bad debts. A provision for bad debt is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. Receivables with a short-term duration are not discounted.

A loss on provision for bad debt is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

1.4 Trade and other payables

Trade and other payables are stated at their cost.

1.5 Tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in the 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 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.

Notes to the Financial Statements

2. Operating costs

	2018 £	2017 £
Impairment of receivables	-	663,088

The accounts have not been audited in the current year. In respect of the previous year the remuneration of the auditor for auditing of the financial statements was £1,000 and £nil in respect of non-audit work and was borne by fellow group undertaking BAE Systems (Operations) Limited.

3. Employees

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 (Operations) Limited and were remunerated through that company. The directors did not provide any material qualifying services to the Company.

The Company has no employees (2017: nil).

4. Tax

Current tax

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

The following reconciles expected tax result using the UK corporate tax rate, to reported tax result.

	2018 £	2017 £
Result before tax	-	(663,088)
Uk corporation tax rate	19.00%	19.25%
Expected tax income on result	-	127,644
Receivables impairment	-	(127,644)
Imputed interest (income)/expense	(1,113)	(918)
Losses received from BAE Systems plc group companies free of charge	1,113	918
Tax result	-	-

Notes to the Financial Statements

5. Investments

	Subsidiary companies £
Cost	
At 1 January 2018	1,000
At 31 December 2018	1,000
Provision for impairment	
At 1 January 2018	(1,000)
At 31 December 2018	(1,000)
Net book value	
At 31 December 2018	-
At 31 December 2017	-

During the year, management conducted an impairment review of the investments held by the Company. As a result of this review there were no impairment reversals.

The recoverable amount of the investments held by the Company has been calculated with reference to their value in use. The value in use calculations use risk-adjusted future cash flow projections based on the five-year Integrated Business Plan (IBP) and include a terminal value based on the projections for the final year of that plan, with growth rate assumptions in the range 0% to 2% applied. The IBP process includes the use of historic experience, available government spending data and the BAE Systems plc group's order backlog. Pre-tax discount rates, derived from the group's post-tax weighted average cost of capital of 6.36% (2017 6.60%) (adjusted for risks specific to the market in which the cash-generating unit operates), have been used in discounting these projected risk-adjusted cash flows.

Subsidiary undertakings

In accordance with Section 409 of the Companies Act 2006, a full list of subsidiary undertakings and significant holdings as at 31 December 2018 is disclosed below. Unless otherwise stated, all subsidiary undertakings and significant holdings are owned directly by the Company and have a financial year end of 31 December. Their registered office is Warwick House, PO Box 87, Farnborough Aerospace Centre, Farnborough, Hampshire, GU14 6YU, United Kingdom.

Company name	Class of shares held	Proportion of class (%)
BAE Systems Datagate Limited	Ordinary shares of £1	100 %

Notes to the Financial Statements

6. Trade and other receivables

	2018 £	2017 £
Current		
Intercompany loan	270,000	270,000
Amounts owed by subsidiary company	1,037,680	1,037,680
Provision against amounts owed by subsidiary company	(663,088)	(663,088)
Amounts due from fellow subsidiary companies	15,278	15,278
	<u>659,870</u>	<u>659,870</u>

7. Trade and other payables

	2018 £	2017 £
Current		
Amounts due to parent company	126	126
Amounts due to subsidiary companies	50,715	50,715
	<u>50,841</u>	<u>50,841</u>

8. Share capital

	£1 Ordinary shares	Nominal value £
Issued and fully paid		
At 1 January and 31 December 2018	<u>1,000</u>	<u>1,000</u>

Notes to the Financial Statements

9. Controlling parties

The immediate parent company is BAE Systems Datagate Pty Limited, a company incorporated and registered in Australia and the ultimate parent company is BAE Systems plc which is both the smallest and largest parent company preparing group financial statements. BAE Systems plc is incorporated in Great Britain 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