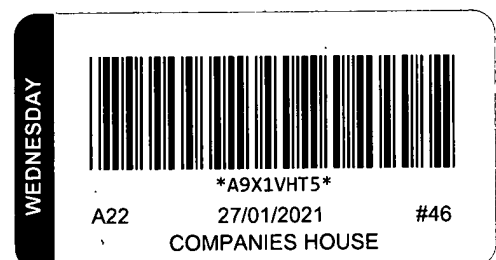


COMPANY REGISTRATION NUMBER: 05704152

KBR (Aspire Services) Holdings Limited
Financial Statements
31 December 2019



KBR (Aspire Services) Holdings Limited

Financial Statements

Year ended 31 December 2019

Contents	Pages
Strategic report	1
Directors' report	2 to 3
Independent auditor's report to the member	4 to 6
Income statement	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 to 15

KBR (Aspire Services) Holdings Limited

Strategic Report

Year ended 31 December 2019

The directors present their strategic report of the company for the year ended 31 December 2019.

Principal activities and business review

The principal activity of KBR (Aspire Services) Holdings Limited is acting as holding company of KBR (Aspire Services) Limited. KBR (Aspire Services) Limited holds an investment in the Aspire Defence Services joint venture, an unincorporated entity. Aspire Defence Services carries out the services activities for Aspire Defence Limited. Aspire Defence Limited holds a contract with the Ministry of Defence to provide a range of services to British Army garrisons through the Allenby and Connaught project. The project involves the design and build of new living accommodation, other similar structures, supporting infrastructure and amenities at sites on Salisbury Plain and in Aldershot, the demolition and refurbishment of various assets in those areas, and the provision of certain hard and soft facilities maintenance services to those assets and to other existing assets at the sites and associated locations over the contract duration.

Results

The profit for the year, after taxation, amounted to £3,549,830 (2018: profit - £2,349,831). The net assets at the end of the year totalled £4,462 (2018: net assets - £4,632).

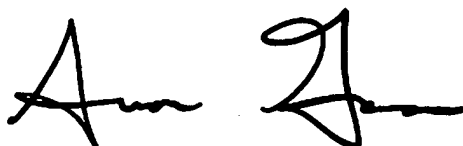
Financial risk management objectives and policies

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to be the following:

- Financial counterparty risk. Group treasury activities are monitored and co-ordinated by a central Treasury department on behalf of the whole KBR group. This includes the risk of potential failure by counterparties holding cash deposits on behalf of group entities.
- The potential effect of Brexit on the Company's financial position should be limited as the Company doesn't have operations in the European Union. It is impossible to predict the scale of possible future implications of Brexit for the Company.
- COVID-19. The initial programme delays have been largely recovered, the second and third lockdowns have caused minimal disruption in service as the business has been deemed critical and asked to largely continue working. Related, many of the troops have also remained on base.

This report was approved by the board of directors on 25 January 2021 and signed on behalf of the board by:



Mr A M Goodwin
Director

Registered office:
Hill Park Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL

KBR (Aspire Services) Holdings Limited

Directors' Report

Year ended 31 December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Directors

The directors who served the company during the year were as follows:

Mr J A Barrett
Mr C R Deacon
Mr A G Sharman
Mr R P Kerry
Mr C K Kenton

Mr J A Barrett resigned as a director on 31 July 2020
Mr C K Kenton resigned as a director on 31 December 2020
Mr R P Kerry resigned as a director on 31 December 2020
Mr A J Barrie was appointed as a director 31 July 2020
Mr A M Goodwin was appointed as a director 1 January 2021

Dividends

During 2019, the directors recommended and paid a dividend of £3,550,000 (2018 - £2,350,000).

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard

KBR (Aspire Services) Holdings Limited

Directors' Report *(continued)*

Year ended 31 December 2019

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board of directors on 25 January 2021 and signed on behalf of the board by:



Mr A M Goodwin
Director

Registered office:
Hill Park Court
Springfield Drive
Leatherhead
Surrey
KT22 7NL

Independent Auditor's Report to the Member of KBR (Aspire Services) Holdings Limited

Opinion

We have audited the financial statements of KBR (Aspire Services) Holdings Limited ("the company") for the year ended 31 December 2019 which comprise the income statement, statement of financial position, statement of changes in equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and the directors' report

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

**Independent Auditor's Report to the Member of KBR (Aspire Services)
Holdings Limited (continued)**

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

**Independent Auditor's Report to the Member of KBR (Aspire Services)
Holdings Limited (continued)**

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's member, 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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.



Malcolm Footer (Senior Statutory Auditor)
for and on behalf of
KPMG LLP
Chartered accountants & statutory auditor
15 Canada Square
London
E14 5GL

25 January 2021

KBR (Aspire Services) Holdings Limited

Income Statement

Year ended 31 December 2019

	Note	2019 £	2018 £
Administrative expenses		(170)	(169)
Operating loss	4	(170)	(169)
Income from shares in group undertakings		<u>3,550,000</u>	<u>2,350,000</u>
Profit before taxation		3,549,830	2,349,831
Tax on profit	6	—	—
Profit for the financial year		<u>3,549,830</u>	<u>2,349,831</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 10 to 15 form part of these financial statements.


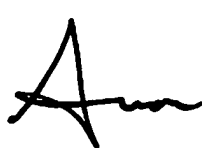
KBR (Aspire Services) Holdings Limited

Statement of Financial Position

31 December 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Investments	8		1		1
Current assets					
Debtors	9	43		43	
Cash at bank and in hand		<u>4,418</u>		<u>4,588</u>	
		<u>4,461</u>		<u>4,631</u>	
Net current assets			<u>4,461</u>		<u>4,631</u>
Total assets less current liabilities			<u>4,462</u>		<u>4,632</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		<u>4,461</u>		<u>4,631</u>
Members funds			<u>4,462</u>		<u>4,632</u>

These financial statements were approved by the board of directors and authorised for issue on 25 January 2021, and are signed on behalf of the board by:



Mr A M Goodwin
Director

Company registration number: 05704152

The notes on pages 10 to 15 form part of these financial statements.

KBR (Aspire Services) Holdings Limited

Statement of Changes in Equity

Year ended 31 December 2019

		Called up share capital £	Profit and loss account £	Total £
At 1 January 2018		1	4,800	4,801
Profit for the year			2,349,831	2,349,831
Total comprehensive income for the year		—	2,349,831	2,349,831
Dividends paid and payable	7	—	(2,350,000)	(2,350,000)
Total investments by and distributions to owners		—	(2,350,000)	(2,350,000)
At 31 December 2018		1	4,631	4,632
Profit for the year			3,549,830	3,549,830
Total comprehensive income for the year		—	3,549,830	3,549,830
Dividends paid and payable	7	—	(3,550,000)	(3,550,000)
Total investments by and distributions to owners		—	(3,550,000)	(3,550,000)
At 31 December 2019		<u>1</u>	<u>4,461</u>	<u>4,462</u>

The notes on pages 10 to 15 form part of these financial statements.

KBR (Aspire Services) Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom, and registered in England and Wales. The address of the registered office is Hill Park Court, Springfield Drive, Leatherhead, Surrey, KT22 7NL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

These are separate financial statements of the company. Investments in subsidiaries and jointly controlled entities are carried at cost less impairment.

Cash and cash equivalents comprise cash balances and call deposits.

Going concern

The directors have considered the future profitability of the Company and have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements.

The directors are satisfied that the Company can meet its projected working capital requirements, which are negligible as the company is a holding company, does not trade and does not have any debt. Consequently, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

KBR (Aspire Services) Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

The entity's financial statements are consolidated into the financial statements of KBR, Inc. (incorporated in the state of Delaware, U.S.A.) which can be obtained from the Public Relations Department, Hill Park Court, Springfield Drive, Leatherhead, Surrey KT22 7NL. As such, advantage has been taken of the following disclosure exemptions available under Section 1 of FRS 102 paragraphs:

1.12(a) Disclosures in respect of each class of share capital have not been presented.

1.12(b) No cash flow statement has been presented for the company.

1.12(e) No disclosure has been given for the aggregate remuneration of key management personnel.

The entity's financial statements are also consolidated into the financial statements of Kellogg Brown & Root Holdings Limited (incorporated in England & Wales) which can be obtained from the Public Relations Department, Hill Park Court, Springfield Drive, Leatherhead, Surrey KT22 7NL. As such, advantage has been taken of the following disclosure exemptions available under Section 1 of FRS 102 paragraphs:

1.12(c) Disclosures in respect of financial instruments have not been presented.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred assets are recognised to the extent it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

KBR (Aspire Services) Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

4. Operating profit

Operating profit or loss is stated after charging:

	2019 £	2018 £
Bank charges	<u>170</u>	<u>168</u>

The fee payable to the company's auditor for the audit of the company's financial statements was £3,215 (2018 - £3,215). This fee was borne by KBR (Aspire Services) Limited, in the current and prior year.

5. Particulars of employees and directors

No staff were employed during the year ending 31 December 2019 (2018 - Nil).

No remuneration was paid to directors in respect of services provided to the company as substantially all their services have been provided to other group companies.

6. Tax on profit

Reconciliation of tax income

The tax assessed on the profit for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019 £	2018 £
Profit before taxation	<u>3,549,830</u>	<u>2,349,831</u>
Profit by rate of tax	674,468	446,468
Income not taxable	(674,500)	(446,500)
Group relief surrendered for nil consideration	<u>32</u>	<u>32</u>
Tax on profit	<u>-</u>	<u>-</u>

KBR (Aspire Services) Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

7. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2019 £	2018 £
Dividends on equity shares	<u>3,550,000</u>	<u>2,350,000</u>

8. Investments

	Shares in group undertaking s £
Cost	
At 1 January 2019 and 31 December 2019	<u>1</u>
Impairment	
At 1 January 2019 and 31 December 2019	<u>-</u>
Carrying amount	
At 31 December 2019	<u>1</u>
At 31 December 2018	<u>1</u>

Subsidiaries, associates and other investments

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
KBR (Aspire Services) Limited	Hill Park Court Springfield Drive Leatherhead Surrey KT22 7NL	Ordinary	100

9. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	<u>43</u>	<u>43</u>

10. Called up share capital

Authorised share capital

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

KBR (Aspire Services) Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

10. Called up share capital *(continued)*

Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

11. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

12. Related party transactions

As a subsidiary of KBR, Inc., the company has taken advantage of the exemption in paragraph 33.1A of FRS 102, not to disclose transactions with other wholly owned members of the group headed by KBR, Inc.

13. Controlling party

The immediate parent undertaking is KBR (Aspire Services) Holdings No. 2 Limited (Hill Park Court, Springfield Drive, Leatherhead, Surrey. KT22 7NL, a company registered in England and Wales).

The company is a wholly owned subsidiary undertaking of Kellogg Brown & Root Limited (Hill Park Court, Springfield Drive, Leatherhead, Surrey. KT22 7NL, a company registered in England and Wales) which heads the smallest group in which the company is consolidated.

The ultimate parent undertaking is KBR, Inc. (601 Jefferson Street, Suite 3400, Houston, Texas. 77002, a company incorporated in the state of Delaware, U.S.A.) which heads the largest group in which the company is consolidated.

The financial statements of these companies are available to the public and can be obtained from the Public Relations Department, Hill Park Court, Springfield Drive, Leatherhead, Surrey. KT22 7NL.

KBR (Aspire Services) Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

14. List of subsidiaries and joint ventures

The following is a full list of subsidiaries and joint ventures, their country of incorporation and type of issued security and the percentage of equity directly or indirectly owned by KBR (Aspire Services) Holdings Limited as at 31 December 2019. The Registered Office for each company is Hill Park Court, Springfield Drive, Leatherhead, Surrey. KT22 7NL (unless otherwise stated).

Subsidiary undertakings	Country of incorporation/ operations	Class of share	Percentage of shares held
KBR (Aspire Services) Limited *	England & Wales	Ordinary	100%

Joint ventures	Country of incorporation/ operations	Class of share	Percentage of shares held
Aspire Defence Services JV 1	UK	Unincorporated	50%

* - Investment held directly by the company.

For unincorporated joint ventures percentage of company's interest is shown.

1 Aspire Business Centre, Ordnance Road, Tidworth, Wiltshire. SP9 7QD