

KBR (Aspire Services) Holdings Limited
Unaudited Financial Statements
31 December 2020



KBR (Aspire Services) Holdings Limited

Financial Statements

Year ended 31 December 2020

Contents	Pages
Strategic report	1
Directors' report	2
Income statement	3
Statement of financial position	4
Statement of changes in equity	5
Notes to the financial statements	6 to 11

KBR (Aspire Services) Holdings Limited

Strategic Report

Year ended 31 December 2020

The directors present their strategic report of the company for the year ended 31 December 2020.

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 £4,799,832 (2019: profit - £3,549,830). The net assets at the end of the year totalled £4,294 (2019: net assets - £4,462).

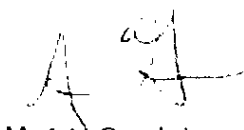
Financial risk management objectives and policies

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 27 September 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 2020

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2020.

Directors

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

Mr C R Deacon	
Mr A G Sharman	
Mr A J Barrie	(Appointed 31 July 2020)
Mr J A Barrett	(Resigned 31 July 2020)
Mr R P Kerry	(Resigned 31 December 2020)
Mr C K Kenton	(Resigned 31 December 2020)

Mr A M Goodwin was appointed as a director 1 January 2021

Dividends

During 2020, the directors recommended and paid a dividend of £4,800,000 (2019 - £3,550,000).

Exemption from audit

The Company's parent undertaking, Kellogg Brown & Root Limited, has guaranteed the Company's liabilities to entitle the Company to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

This report was approved by the board of directors on 27 September 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

Income Statement

Year ended 31 December 2020

	Note	2020 £	2019 £
Administrative expenses		(168)	(170)
Operating loss	4	(168)	(170)
Income from shares in group undertakings		4,800,000	3,550,000
Profit before taxation		4,799,832	3,549,830
Tax on profit	6	—	—
Profit for the financial year		<u>4,799,832</u>	<u>3,549,830</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 6 to 11 form part of these financial statements.

KBR (Aspire Services) Holdings Limited

Statement of Financial Position

31 December 2020


	Note	2020 £	£	2019 £	£
Fixed assets					
Investments	8		1		1
Current assets					
Debtors	9	43		43	
Cash at bank and in hand		<u>4,250</u>		<u>4,418</u>	
		<u>4,293</u>		<u>4,461</u>	
Net current assets			<u>4,293</u>		<u>4,461</u>
Total assets less current liabilities			<u>4,294</u>		<u>4,462</u>
Capital and reserves					
Called up share capital	10		1		1
Profit and loss account	11		<u>4,293</u>		<u>4,461</u>
Members funds			<u>4,294</u>		<u>4,462</u>

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors and authorised for issue on 27 September 2021, and are signed on behalf of the board by:


Mr A M Goodwin
Director

Company registration number: 05704152

The notes on pages 6 to 11 form part of these financial statements.

KBR (Aspire Services) Holdings Limited

Statement of Changes in Equity

Year ended 31 December 2020

		Called up share capital £	Profit and loss account £	Total £
At 1 January 2019		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		1	4,461	4,462
Profit for the year			4,799,832	4,799,832
Total comprehensive income for the year		–	4,799,832	4,799,832
Dividends paid and payable	7	–	(4,800,000)	(4,800,000)
Total investments by and distributions to owners		–	(4,800,000)	(4,800,000)
At 31 December 2020		1	4,293	4,294

The notes on pages 6 to 11 form part of these financial statements.

KBR (Aspire Services) Holdings Limited

Notes to the Financial Statements

Year ended 31 December 2020

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 2020

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 2020

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:

	2020	2019
	£	£
Bank charges	168	170

5. Particulars of employees and directors

No staff were employed during the year ending 31 December 2020 (2019 - 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 (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Profit before taxation	4,799,832	3,549,830
Profit by rate of tax	911,968	674,468
Income not taxable	(912,000)	(674,500)
Group relief surrendered for nil consideration	32	32
Tax on profit	—	—

KBR (Aspire Services) Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

6. Tax on profit *(continued)*

Factors that may affect future tax income

In the Spring Budget 2020, the UK Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax main rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

As the proposal to increase the main rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

7. Dividends

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

	2020 £	2019 £
Dividends on equity shares	<u>4,800,000</u>	<u>3,550,000</u>

8. Investments

	Shares in group undertakings £
Cost	
At 1 January 2020 and 31 December 2020	<u>1</u>
Impairment	
At 1 January 2020 and 31 December 2020	<u>-</u>
Carrying amount	
At 31 December 2020	<u>1</u>
At 31 December 2019	<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

KBR (Aspire Services) Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

9. Debtors

	2020	2019
	£	£
Amounts owed by group undertakings	<u>43</u>	<u>43</u>

10. Called up share capital

Authorised share capital

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Issued, called up and fully paid

	2020		2019	
	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 2020

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 2020. 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