

Babcock Rosyth Industries Limited

**Financial statements for the year ended 31 March 2003
together with directors' report**

Registered Number: SC173116



Directors and advisers

Directors

B Morse

Company secretary

J D T Greig

Registered office

Rosyth Business Park

Rosyth

Dunfermline

Fife

KY11 2YD

Bankers

The Royal Bank of Scotland plc

52/54 East Port

Dunfermline

Fife

KY12 7HB

Directors' report (continued)

For the year ended 31 March 2003

The Directors present their Annual Report on the affairs of the company, together with the Financial Statements for the year ended 31 March 2003.

Statement of Directors' responsibilities

Company law requires the Directors to prepare Financial Statements for each financial year which 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 year. In preparing those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the Financial Statements comply with the Companies Act 1985. 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.

Principal activities

The company has been dormant during the year.

Directors and their interests

The directors who served during the year and subsequent to the year end are shown below.

W A Cramond (resigned 20 October 2003)

M S Easton (resigned 31 May 2002)

B Morse (appointed 13 October 2003)

At no time during the year has any director held any ordinary shares of the company. The interests of M S Easton and W A Cramond in shares of Babcock International Group PLC are shown in the accounts of Babcock International Group PLC, and Babcock Support Services Limited respectively. The latter company is a subsidiary of Babcock International Group PLC. The remaining Director and his immediate family have the following interests in the shares of Babcock International Group PLC:

Directors' report (continued)

For the year ended 31 March 2003

	31 March 2003	Movement during the year	1 April 2002
Number of options over ordinary shares			
B Morse	<u>155,466</u>	<u>-</u>	<u>155,466</u>

By order of the Board



B Morse

Director

27 January 2004

Balance sheet

31 March 2003

	Notes	2003 £'000	2002 £'000
Net assets		<u>-</u>	<u>-</u>
Capital and reserves			
Called-up equity share capital	2	10	10
Profit and loss account		<u>(10)</u>	<u>(10)</u>
Equity shareholders' funds		<u>-</u>	<u>-</u>

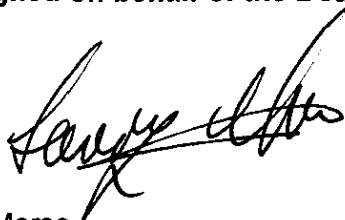
The company was dormant throughout the financial year.

For the year ended 31 March 2003 the company was entitled to exemption under section 249aa (1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b (2).

The directors acknowledge their responsibility for:

- Ensuring the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Signed on behalf of the Board



B Morse

Director

27 January 2004

The accompanying notes form an integral part of this balance sheet.

Notes to the financial statements

For the year ended 31 March 2003

1 Accounting policies

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

a) Basis of accounting

The Financial Statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard 1 (Revised), to dispense with the requirement to publish a cash flow statement in its Financial Statements, as a consolidated cash flow statement is included in the Financial Statements of the ultimate parent company.

2 Called-up equity share capital

	2003	2002
	Number	Number
Authorised		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
	£'000	£'000
Allotted, called-up and fully paid		
Ordinary shares of £1 each	<u>10</u>	<u>10</u>

3 Guarantees and financial commitments

Contingent liabilities

The company has guaranteed or has joint and several liability for bank facilities of £10 million provided to certain group companies.

Notes to the financial statements

For the year ended 31 March 2003

4 Ultimate parent undertaking

The company's immediate parent undertaking is Babcock Engineering Services Limited, a company registered in England and Wales. The company's ultimate parent company 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 the 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
2 Cavendish Square
London
W1G 0PX