

BAE Systems Saudi Arabia (Vehicles and Equipment Holdings) Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

Registered number: 07292403



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Directors' Report

Company registration

BAE Systems Saudi Arabia (Vehicles and Equipment Holdings) Ltd (the Company) is a private company, limited by shares and registered in England and Wales with the registered number 07292403.

Principal activities and business review

The company acts as a holding company and is itself wholly owned by BAE Systems plc. The Company has been dormant, as defined in section 1169 of the Companies Act 2006, throughout the year under review and the preceding year and there are no future plans for activities.

Dividends

The directors do not propose a dividend for 2019 (2018 £nil).

Principal risks and uncertainties

As a holding company, there is a risk that there could be a diminution in the value of the Company's investments.

Going concern

After making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Directors and their interests

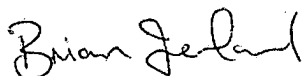
The directors who served throughout the year were as follows:

B W Ierland

P D Murphy

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



B. W. Ierland
Director

16 June 2020

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 Annual 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 102 (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; and
- make judgements 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.

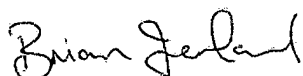
Balance Sheet

as at 31 December 2019

	Notes	2019 £	2018 £
Non-current assets			
Investments	3	16,716	16,716
Total assets		16,716	16,716
Capital and reserves			
Issued share capital	4	16,716	16,716
Total equity		16,716	16,716

- a) For the year ended 31 December 2019 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 Companies Act 2006 with respect to accounting records and the preparation of accounts.

Approved by the Board on 16 June 2020 and signed on its behalf by:



B. W. Ireland
Director

Registered number: 07292403

Statement of Changes in Equity

for the year ended 31 December 2019

	Issued share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2018, 31 December 2018 and 31 December 2019	16,716	-	16,716

The notes on pages 5 to 6 form part of the financial statements.

Notes to the Financial Statements

1 Accounting policies

Basis of preparation

These financial statements were prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland as issued in August 2014 and amended in 2015 and 2016. As the Company has met the Companies Act 2006 definition of a dormant company as at and since the date of transition on 1 January 2014, the accounting policies applied at the date of transition under previous UK GAAP have been retained as permitted by paragraph 10(m), section 35 of FRS 102. As a result, there will be no change to amounts reported at 1 January 2014 until there is any change to those balances or the Company undertakes any new transactions.

Under FRS 102 section 1.12(b) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a qualifying entity (for the purpose of this FRS).

The Company has taken advantage of the exemption contained in FRS 102 section 1.12(e) on the grounds that it is a qualifying entity (for the purpose of this FRS) and has therefore not disclosed transactions or balances with entities which form part of the group.

Going concern

After making due enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

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.

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.

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 (continued)

2 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 plc and were remunerated through that company. The directors did not provide any material qualifying services to the Company.

The Company has no employees (2018 nil).

3 Investments

	2019 £'000	2018 £'000
Cost		
At 1 January 2018, 31 December 2018 and 31 December 2019	16,716	16,716
Net book value at 1 January and 31 December 2019	16,716	16,716

During the year, management conducted an impairment review of the investments held by the Company. As a result of this review, no change was required to the recoverable amount.

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 order backlog. Pre-tax discount rates, derived from the Group's post-tax weighted average cost of capital of 6.62% (2018 6.36%) (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 and participating interests at 31 December 2019

In accordance with section 409 of the Companies Act 2006, the subsidiary undertakings and significant holdings as at 31 December 2019 are 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 2019.

The Company owns 100% of the ordinary share capital of BAE Systems (Vehicles and Equipment) Limited, a company registered in England and Wales with a registered address of Warwick House, Farnborough Aerospace Centre, Farnborough, Hampshire, GU14 6YU, and 100% of the ordinary share capital of BAE Systems Saudi Arabia (Maintenance and Equipment Services) Limited, registered in the Kingdom of Saudi Arabia with a registered address of P.O. Box.1732, Riyadh 11441.

4 Share capital

	£1 Ordinary shares	Nominal Value £
Issued and fully paid		
At 1 January and 31 December 2019	16,716	16,716

5 Controlling parties

The immediate and ultimate parent and controlling party is BAE Systems plc, which is both the smallest and largest parent company preparing group financial statements. BAE Systems plc is incorporated in the United Kingdom 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