

HIBERNA CONTRACT SERVICES LIMITED

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2005

Company number 457868



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COMPANIES HOUSE 09/12/2005

HIBERNA CONTRACT SERVICES LIMITED

DIRECTORS AND ADVISORS

DIRECTORS

W Tame
F Martinelli

SECRETARY

S A Billiald

REGISTERED OFFICE

2 Cavendish Square
London
W1G 0PX

HIBERNA CONTRACT SERVICES LIMITED

DIRECTORS' REPORT for the year ended 31 March 2005

The directors present their report and the audited financial statements of the company for the year ended 31 March 2005.

Principal activity

The company is a non trading company. The directors do not anticipate any change to the company's non trading status.

Results and dividends

The profit for the year on ordinary activities before taxation is £nil (2004: £6,746,344). The directors do not recommend the payment of a dividend (2004: £nil).

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 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.

HIBERNA CONTRACT SERVICES LIMITED

DIRECTORS' REPORT (continued) for the year ended 31 March 2005

Directors and their interests

The directors of the company during the year and since the year end were:

W Tame
F Martinelli

None of the directors has any beneficial interest in the shares of the company. Mr W Tame is also a director of the ultimate parent company and his interest in the shares and share options of that company is disclosed in that company's accounts.

The interests of the other director's in the shares and share options of the company's ultimate parent company, Babcock International Group PLC, were as follows:

	Ordinary shares Number	Ordinary shares Number	Share options Number	Share options Number
	31 March 2005	31 March 2004	31 March 2005	31 March 2004
F Martinelli	-	-	150,000	115,000

During the year 35,000 share options were granted to Mr F Martinelli.

No director had any material interest during the year in any contract with the company or its subsidiaries requiring disclosure under Section 317 of the Companies Act 1985.

Auditors

In accordance with the provisions of Section 249AA of the Companies Act 1985, the company, being a dormant company within the meaning of the said section, is not required to appoint auditors.

This report was approved by the Board on 18 October 2005.



S A Billiald
Secretary

HIBERNA CONTRACT SERVICES LIMITED**PROFIT AND LOSS ACCOUNT**
For the year ended 31 March 2005

	Notes	2005	2004
		£	£
Capital contribution		-	2
Intercompany provision no longer required	4	-	6,746,342
Profit on ordinary activities before taxation	4	-	6,746,344
Tax on profit on ordinary activities	3	-	-
Retained profit for the year		-	6,746,344

During the year there were no recognised gains and losses other than those dealt with in the profit and loss account. All the above results derive from continuing activities. The retained profit represents the only movements in shareholders' fund.

The accompanying notes form an integral part of this profit and loss account.

There are no material differences between profit on ordinary activities before tax and the retained profit for the year stated above and their historical cost equivalent.

HIBERNA CONTRACT SERVICES LIMITED

BALANCE SHEET as at 31 March 2005

	Notes	2005	2004
		£	£
CURRENT ASSETS			
Debtors: amounts falling due within one year	5	6,746,342	6,746,342
Cash in hand		2	2
Net assets		6,746,344	6,746,344
Capital and reserves			
Called up share capital	6	2,153,582	2,153,582
Share premium account		16,752	16,752
Profit and loss account	7	4,576,010	4,576,010
Equity shareholders' funds	8	6,746,344	6,746,344


The company was dormant within the meaning of Section 249AA of the Companies Act 1985 throughout the year ended 31 March 2005.

For the year ended 31 March 2005 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: (i) ensuring the company keeps accounting records with comply with section 221; and (ii) 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, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The financial statements on pages 5 to 9 were approved by the Board on 18 October 2005 and signed on its behalf by:



F Martinelli
Director

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

HIBERNA CONTRACT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

Cash flow statement

A cash flow statement has not been prepared as the company has taken advantage of the exemption under FRS1, available to wholly owned subsidiaries of a company incorporated in the EU whose consolidated financial statements include a consolidated cash flow statement.

2 Directors remuneration and staff costs

No director received remuneration in respect of their services to the company during the year under review (2004: £nil). There were no staff employed in the year (2004: none).

3 Tax on profit on ordinary activities

	2005 £	2004 £
Corporation tax	-	-
	-	-

4 Operating profit

Included in the comparative figure for profit is a intra-group provision no longer required and a capital contribution received on 25 March 2004 of £2 from the company's parent company.

5 Debtors

	2005 £	2004 £
Amounts due from group company within one year	6,746,342	6,746,342
	6,746,342	6,746,342

HIBERNA CONTRACT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 Called-up share capital

	2005 £	2004 £
<i>Authorised</i>		
9,600,000 Ordinary shares of 25p each	2,400,000	2,400,000
<i>Allotted, called-up and fully paid</i>		
8,614,327 Ordinary shares of 25p each	2,153,582	2,153,582

7 Reserves

Profit and loss

	Account £
As at 1 April 2004	4,576,010
Profit for the year	-
As at 31 March 2005	4,576,010

8 Reconciliation of movement in shareholders' funds

	2005 £'000	2004 £'000
Opening shareholders' funds	6,746,344	-
Profit for the year	-	6,746,344
Closing shareholders' funds	6,746,344	6,746,344

9 Financial commitments

At 31 March 2005 the company had no commitments for capital expenditure (2004: £nil).

10 Related party transactions

The company has taken advantage of the exemption granted to 90% subsidiaries, by FRS8 Related Party Disclosures, not to disclose transactions with group undertakings. There are no other related party transactions.

11 Ultimate parent company

The company's ultimate parent company Babcock International Group PLC, a company registered in England and Wales. Copies of the Babcock International Group PLC accounts are available to the public at the following address:

Company Secretary
Babcock International Group PLC
2 Cavendish Square
London
W1G 0PX