

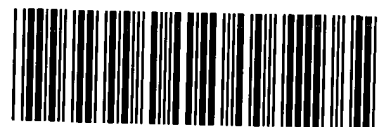
International Military Services Limited

(Registered Number: 924462)

Annual Report and Financial Statements

For the Period ended 31 March 2019

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International Military Services Limited

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International Military Services Limited

Company Information

Period Ended: 31 March 2019

Company registration number: 924462

Directors: Sir Roger Jackling (Chairman)
A R Malpas
D G Jones
C T Sandars

Secretary: A R Malpas

Registered Office: Room 501,
235 High Holborn,
London,
WC1V 7LE

Auditor: Price Bailey LLP,
Chartered Accountants & Statutory Auditors,
24 Old Bond Street,
London,
W1S 4AP

Solicitor: Clifford Chance LLP,
10 Upper Bank Street,
London,
E14 5JJ

Banker: Natwest Bank Plc,
1st Floor,
440 Strand,
London,
WC2R 0QS

International Military Services Limited
Directors' Report for the Period ended 31 March 2019

The Directors present their report and financial statements for the period ended 31 March 2019.

Principal activities

The principal activity of the company has been the resolution of an ongoing contractual dispute.

The Company ceased trading on 17th February 2010 and has since been awaiting the resolution of outstanding contractual matters that remain subject to ongoing negotiations and litigation. Once these issues have been resolved, the intention is to liquidate the Company. Full provision for the costs directly associated with the Company's final closure is reflected in the attached financial statements, which are no longer prepared on a going concern basis.

Directors

The following directors have held office since 1st January 2018:

Sir R Jackling

AR Malpas

DG Jones

CT Sandars

Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the Companies Act 2006.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

International Military Services Limited
Directors' Report for the Period ended 31 March 2019 (continued)

Auditors

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Statement of disclosure to auditors

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



AR Malpas
Director

26th June 2019

Registered Office:
Room 501,
235 High Holborn
London
WC1V 7LE

Opinion

We have audited the financial statements of International Military Services Limited (the 'company') for the period ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019, and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that the directors have taken a decision to liquidate the company once its remaining contractual commitments are completed which impacts upon the company's ability to continue as a going concern. As stated in note 1, the directors have not prepared the financial statements on a going concern basis and have provided for one-off closure costs, and professional fees in winding up the company. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

International Military Services Limited
Independent Auditor's Report to the Shareholders of International Military Services Limited
(continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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;
- The Directors were not entitled to take advantage of the small companies exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

International Military Services Limited
Independent Auditor's Report to the Shareholders of International Military Services Limited
(continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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

Jitendra Shah FCA (Senior Statutory Auditor)
For and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

24 Old Bond Street
London
W1S 4AP

Date: 28 June 2019

International Military Services Limited**Statement of comprehensive income for the period ended 31 March 2019**

		Period ended 31 March 2019 £'000	Year ended 31 December 2017 £'000
	Note		
Administrative expenses		(407)	(453)
Loss from operations		<u>(407)</u>	<u>(453)</u>
Interest receivable and similar income		298	220
Loss before taxation	4	<u>(109)</u>	<u>(233)</u>
Taxation	7	<u>(39)</u>	<u>(29)</u>
Loss and comprehensive loss for the financial period/year attributable to equity shareholders		<u>(148)</u>	<u>(262)</u>

The statement of comprehensive income has been prepared on the basis that all operations are discontinued operations.

There are no recognised gains and losses other than those passing through the statement of comprehensive income.

The notes on pages 10 to 19 form part of these financial statements.

International Military Services Limited
Statement of changes in equity for the period ended 31 March 2019


	Ordinary Share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 January 2017	20,000	2,272	22,272
Comprehensive income for the year:			
Retained loss for the year	-	(262)	(262)
Total comprehensive income	-	(262)	(262)
Balance as at 31 December 2017	20,000	2,010	22,010
Balance as at 1 January 2018	20,000	2,010	22,010
Comprehensive income for the Period:			
Retained loss for the period	-	(148)	(148)
Total comprehensive income	-	(148)	(148)
Balance as at 31 March 2019	20,000	1,862	21,862

The notes on pages 10 to 19 form part of these financial statements.

International Military Services Limited
Statement of Financial position as at 31 March 2019
(Registered Number: 924462)

		31 March 2019 £'000	31 December 2017 £'000
	Note		
Current assets			
Trade and other receivables	8	502,225	501,875
Investments		21,950	22,014
Cash at bank		37	71
		<hr/>	<hr/>
		524,212	523,960
Current liabilities			
Trade and other payables	10	(81)	(66)
Current Tax	10	(39)	(29)
		<hr/>	<hr/>
		(120)	(95)
Net current assets		524,092	523,865
Non-current liabilities			
Provisions	12	(502,230)	(501,855)
		<hr/>	<hr/>
Net assets		21,862	22,010
Equity			
Issued up share capital	13	20,000	20,000
Retained earnings		1,862	2,010
		<hr/>	<hr/>
Total Shareholders' funds		21,862	22,010
		<hr/>	<hr/>

The financial statements on pages 6 to 19 were approved and authorised for issue by the board on 26th June 2019 and signed on its behalf by:


A R Malpas
Director

The notes on pages 10 to 19 form part of these financial statements.

International Military Services Limited
Statement of cash flows for the period ended 31 March 2019

	Period ended 31 March 2019	Year ended 31 December 2017
	£'000	£'000
Cash flows from operating activities		
Loss before taxation	(109)	(233)
Adjustment for Interest received	(298)	(220)
	<hr/>	<hr/>
Cash from (absorbed by) operations before working capital	(407)	(453)
Movement in working capital		
(Increase) in trade and other receivables	(2)	(2)
Increase/(decrease) in trade and other payables	15	(328)
	<hr/>	<hr/>
Cash (absorbed by) operations	(394)	(783)
Tax paid	(29)	(59)
	<hr/>	<hr/>
Net cash (absorbed by) operating activities	(423)	(842)
Cash flow from investing activities		
Interest received	325	196
Receipts from investments	64	(7,013)
	<hr/>	<hr/>
Net (decrease) in cash	(34)	(7,659)
Cash and cash equivalents at beginning of period/year	71	7,730
	<hr/>	<hr/>
Cash and cash equivalents at end of period/year	37	71
	<hr/>	<hr/>

The notes on pages 10-18 form part of these financial statements.

International Military Services Limited
Notes to the financial statements for the period ended 31 March 2019

1 Accounting policies

International Military Services Limited (the company) is a private company limited by shares incorporated under number 924462 in England and Wales within the United Kingdom. The address of the registered office and place of business is Room 501, 235 High Holborn, London, WC1V 7LE.

The financial statements are presented in pound sterling which is the functional currency of the company rounded to the nearest £000.

The financial statements represent the 15 month period ending 31 March 2019. The comparatives represent the 12 month period ending 31 December 2017 so are not entirely comparable.

Following the decision by the Chief Secretary to the Treasury that International Military Services Limited must be included in government estimates and accounts for the year ended 31 March 2020, the Directors have aligned the financial year with that of government departments.

The principal accounting policies adopted by the Company are as follows:

Statement of compliance and presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union including standards and interpretations issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs. They have been prepared using the historical cost convention.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, then the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Going concern

The financial statements have not been prepared on a going concern basis as the decision has been taken to liquidate the Company once its remaining contractual commitments have been completed. Provisions have been made for one-off closure costs, and professional fees in winding up the Company (see note 12). Provision has not been made for future operating costs as these will be met out of Company resources.

Summary of significant accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material to the company's affairs. They have been applied to all years presented, unless otherwise stated.

Administrative expenses

"Administrative expenses" represent all indirect overheads, including corporate management, accounting, legal, secretarial and office services functions and the cost of premises.

Interest receivable and similar income

This includes interest receivable and similar income and exchange gains and losses. These are recognised in the period in which they accrue.

International Military Services Limited
Notes to the financial statements for the period ended 31 March 2019
(continued)

1 Accounting policies (continued)

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that 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 balance sheet date that are expected to apply to the reversal of timing differences.

Investments

Investments consist of cash placed in term deposits with banks and similar institutions and are readily convertible into known amounts of cash at maturity and are subject to insignificant risk of changes in value.

Financial instruments

The company's financial instruments comprise cash and liquid resources and trade payables that arise directly from its operations. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument and derecognised when the company ceases to be a party to the contractual provisions. The main purpose of these financial instruments is to manage the finances of the company's operations.

Financial instruments are measured initially at historic cost, which is the fair value of whatever was paid or received to acquire or incur them. Trade payables do not carry interest.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current balances with banks and similar institutions, which are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the cash flow statement.

Leases

Rentals under operating leases are charged to the Statement of Comprehensive Income as incurred on a straight line basis over the lease term.

Provision for liabilities / Other debtors

The company recognises a provision for an arbitration award arising from a contractual dispute with the Ministry of Defence & Support for Armed Forces of the Islamic Republic of Iran (MODSAF). The funds deposited with the Court Funds Office are sufficient to discharge any liability arising from the enforcement of the arbitration award with an obligation to return the remaining excess funds to the company's shareholder. This sum is shown in other receivables in the financial statements. The movement year on year reflects the interest earned on the funds held on deposit less any funds withdrawn under the appropriate licence.

2 Liabilities and provisions relating to contracts with the Government of Iran

On 2 May 2001, an arbitration award plus interest was made against the Company in connection with a contractual dispute with MODSAF. The Company reached an agreement with MODSAF, through a formal Consent Order, that payment of the Award would not be pursued until the outcome of the appeals process was known provided that a sum sufficient to meet the Award by way of security was paid into the UK High Court. This payment was made to the Court Funds Office in December 2002.

In December 2006, the Dutch Appeal Court set aside a relatively small part of the 2001 award. The Company was dissatisfied with the size of the reduction and as a consequence submitted an appeal to the Dutch Supreme Court in April 2008. This appeal was rejected on 24 April 2009.

In accordance with the IAS37, the directors have included in the attached financial statements an adequate provision to cover the sum awarded by the Dutch Supreme Court (See note 12). This provision includes an interest amount calculated up to 31 March 2019.

The Company has been in negotiation with the Iranian authorities over a number of years with a view to achieving an overall settlement. An acceptable position has not been identified. A UK High Court hearing took place in May 2019 to consider an element of the award and a further hearing is being scheduled.

Company funds will be sufficient to meet the legal and other costs associated with any further litigation.

3 Standards and amendments effective and relevant to the Company

The financial statements have been prepared in accordance with IFRSs adopted by the European Union which are effective as at 31 March 2019.

The following IFRSs and International Accounting Standards [IASs] became effective during the period:

IAS 12	Income Taxes - Amendments resulting from Annual Improvements 2015-2017 Cycle (income tax consequences of dividends)
IAS 19	Employees Benefits – Amendments regarding plan amendments, curtailments or settlements
IAS 23	Borrowing Costs – Amendments resulting from Annual Improvements 2015-2017 Cycle (borrowing costs eligible for capitalisation)
IAS 28	Investments in Associates and Joint Ventures - Amendments resulting from Annual Improvements 2014–2016 Cycle (clarifying certain fair value measurements)
IAS 28	Investments in Associates and Joint Ventures – Amendment regarding long-term interests in associates and joint ventures
IAS 40	Investment Property - Amendments to clarify transfers or property to, or from, investment property
IFRS 1	First-time Adoption of International Financial Reporting Standards - Amendments resulting from Annual Improvements 2014–2016 Cycle (removing short-term exemptions)
IFRS 2	Share-based Payment - Amendments to clarify the classification and measurement of payment transactions
IFRS 3	Business Combinations – Amendments resulting from Annual Improvement of 2015-2017 Cycle (remeasurement of previously held interest)
IFRS 4	Insurance Contracts - Amendments regarding the interaction of IFRS 4 and IFRS 9
IFRS 9	Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition
IFRS 9	Amendments regarding prepayment features with negative compensation and modifications of financial liabilities
IFRS 11	Joint Arrangement – Amendments resulting from Annual Improvements 2015-2017 Cycle (remeasurement of previously held interest)

3 Standards and amendments effective and relevant to the Company (continued)

IFRS 15	Revenue from Contracts with Customers - Original issue
IFRS 15	Revenue from Contracts with Customers - Clarifications to IFRS 15
IFRS 16	Leases – Original issue
IFRIC 22	Foreign Currency Transactions and Advance Consideration
IFRIC 23	Uncertainty over Income Tax Treatments

At the date of authorisation the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective:

IAS 1	Presentation of Financial Statements – Amendments regarding the definition of material
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors - Amendments regarding the definition of material
IAS 28	Investments in Associates and Joint Ventures - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture
IAS 39	Financial Instruments: Recognition and Measurement - Amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception
IFRS 3	Business Combinations – Amendments to clarify the definition of a business
IFRS 7	Financial Instruments: Disclosures - Additional hedge accounting disclosures (and on sequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9
IFRS 9	Financial Instrument - Reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses in financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9
IFRS 10	Consolidated Financial Statements - Amendments regarding the sale or contribution of assets between an investor and its associate or joint venture
IFRS 17	Insurance Contracts – Original issue

The adoption of these standards and Interpretations are not expected to have a significant impact on the Company's consolidated financial statements.

4 Loss from operations

	Period ended 31 March 2019 £'000	Year ended 31 March 2017 £'000
Loss from operations is stated after charging:		
Operating lease rentals - other	65	50
Fees paid to auditors comprise:		
Audit fees	18	9
Fees payable for other services - Tax compliance	2	2

International Military Services Limited
Notes to financial statements for the period ended 31 March 2019 (continued)

5 Directors emoluments

The emoluments of the directors were as follows:

	Period ended 31 March 2019 £'000	Year ended 31 December 2017 £'000
Fees as directors	29	23
Emoluments for management services	43	36
Aggregate emoluments	<u>72</u>	<u>59</u>
Highest paid Director	<u>44</u>	<u>36</u>

6 Employees

During the period ended 31 March 2019 the Company had an average of 5 employees including the directors (2017: 5).

Wages and salaries	108	88
Social security costs	6	4
	<u>114</u>	<u>92</u>

7 Taxation

	Period ended 31 March 2019 £'000	Year ended 31 December 2017 £'000
Corporation tax on the loss for the period:		
Current Tax		
UK corporation tax on loss for the period at 19% (2017: 19.25%)	(39)	(29)
Total current tax	<u>(39)</u>	<u>(29)</u>
Tax on loss on ordinary activities	<u>(39)</u>	<u>(29)</u>

International Military Services Limited**Notes to the financial statements for the period ended 31 March 2019 (continued)****7 Taxation (continued)**

The tax for the period is higher (2017: higher) than the standard effective rate of corporation tax in the UK for the period ended 31 March 2019 of 19% (2017: 19.25%). The differences are explained below:

	Period ended 31 March 2019 £'000	Year ended 31 December 2017 £'000
(Loss) before tax	(109)	(233)
Expenses post cessation of trading not deductible for tax purposes	312	384
	<u>203</u>	<u>151</u>
Tax at standard rate of corporation tax in the UK of 19% (2017:19.25%)	(39)	(29)
Current tax (charge) for the period/year	<u>(39)</u>	<u>(29)</u>

8 Trade and other receivables

	31 March 2019 £'000	31 December 2017 £'000
Other receivables	502,200	501,825
Prepayments and accrued income	25	50
	<u>502,225</u>	<u>501,875</u>

Other debtors comprise primarily amounts paid into the UK High Court as a security deposit against the company's potential liabilities in relation to the disputed contracts (see note 2) and interest thereon. The security deposit and interest accrued thereon will be used in settlement of the company's liability (see note 12).

9 Investments

	31 March 2019 £'000	31 December 2017 £'000
Short term deposits and liquid investments with banks	21,950	22,014
	<u>21,950</u>	<u>22,014</u>

No listed securities were held at 31 March 2019 and 31 December 2017.

International Military Services Limited
Notes to the financial statements for the period ended 31 March 2019 (continued)
10 Current liabilities

	31 March 2019 £'000	31 December 2017 £'000
Taxation and Social Security	6	3
Accruals and deferred income	75	63
	<u>81</u>	<u>66</u>
Current tax payable	39	29
	<u>120</u>	<u>95</u>

11 Operating lease commitments

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	31 March 2019 £'000	31 December 2017 £'000
	Land and Buildings	
Not later than one year	24	53
Later than one year and not later than five years	-	4
	<u>24</u>	<u>57</u>

12 Provisions

	31 March 2019 £'000	31 December 2017 £'000
Provisions relating to contracts	502,200	501,825
Provision for closure costs	30	30
	<u>502,230</u>	<u>501,855</u>

Information relating to the major contract provisions is given in note 2 and note 8. The timing of settlement will depend upon the finalisation of an overall settlement with the Government of Iran. The provision includes interest earned on the security deposit as shown in note 8.

Movements on contract provisions:

	31 March 2019 £'000	31 December 2017 £'000
Provisions brought forward	501,825	501,322
Additional provision relating to interest earned (note 2)	625	503
Payment for legal services	(250)	-
Provisions carried forward	<u>502,200</u>	<u>501,825</u>

The additional provision relating to interest earned represents the sum credited to the security deposit held by the UK High Court at note 8.