

**Rosyth Royal Dockyard Limited**  
**Annual report and financial statements**  
**for the year ended 31 March 2022**

**Registered number: SC101959**

**COMPANY INFORMATION**

**Directors**  
**S Doherty**  
**DM Jones**  
**J A Donaldson**  
**A Coyle**  
**WR Watson**

**Company secretary** **JM Wood**

**Registered Number** **SC101959**

**Registered office**  
**Babcock International**  
**Rosyth Business Park**  
**Rosyth**  
**Dunfermline**  
**Fife**  
**KY11 2YD**

**Independent auditor**  
**Deloitte LLP**  
**1 New Street Square,**  
**London**  
**EC4A 3DF**

**CONTENTS**

<b>Strategic report</b>	<b>3</b>
<b>Directors' report</b>	<b>11</b>
<b>Directors' Responsibility statement</b>	<b>15</b>
<b>Independent Auditor's report</b>	<b>16</b>
<b>Income Statement</b>	<b>21</b>
<b>Statement of comprehensive income</b>	<b>22</b>
<b>Statement of Financial Position</b>	<b>23</b>
<b>Statement of cash flows</b>	<b>tt</b>

**Rosyth Royal Dockyard Limited**

---

**Strategic report for the year ended 31 March 2022**

The Directors present their Strategic report on the Company for the year ended 31 March 2022

**Principal activities**

The principal activities of the Company are the design, construction and repair of ships, the provision of specialised design and manufacturing services for the energy and defence sectors, carrying out the Submarine Dismantling Project (SDP), leasing of surplus property to commercial tenants and cargo handling carried out by the commercial port business.

On 1<sup>st</sup> April 2020 the Company purchased the trade and assets of Babcock Marine (Rosyth) Limited, its immediate parent, for consideration of £118,021,000 being the net book value of the assets, satisfied by the issue of 50 £1 ordinary shares at a premium of £118,020,950 or £2,360,419 per share.

**Business review**

	2022	Restated 2021
	£000	£000
Revenue	286,820	244,734
Loss for the financial year	(32,307)	(17,389)

**Strategic report for the year ended 31 March 2022 (continued)**

**Business review (continued)**

The Company continues to participate in a wide range of initiatives that are intended to deliver key elements of the MoD's maritime change programme. This programme seeks to deliver improvements in both cost effectiveness and performance across the joint industrial MoD enterprise, whilst ensuring that important

---

**Strategic report for the year ended 31 March 2022 (continued)**

**Key performance indicators**

The Company's activities are managed on a divisional basis. The following financial and non financial key performance indicators (KPIs) have been identified. These reflect the internal benchmarks that are used to measure the success of the business and strategy.

	2022	2021	
<b>Revenue Growth from continuing operations</b>	<b>17.2%</b>	<b>60.3%</b>	<b>Increase in turnover for continuing operations when compared to that in the previous year: The increase reflects higher levels of activity on the T31E design and build programme &amp; Indonesia</b>
<b>Operating Return on Turnover from continuing operations</b>	<b>(2.7)%</b>		

**Strategic report for the year ended 31 March 2022 (continued)**

**S172(1) statement and stakeholder engagement**

**This statement contains an overview of how the Directors have performed their duty to promote the success of the Company as set out in Section 172(1) of the Companies Act 2006. That section requires a director of the Company to have acted in a way that they consider, in good faith, would most likely promote the success of the Company for the benefit of the shareholders. In doing this, the director must have regard, amongst other matters, to**

- a) the likely consequences of any decision in the long term,**





---

**Strategic report for the year ended 31 March 2022 (continued)**

**S172(1) statement and stakeholder engagement (continued)**

**Suppliers (continued)**

**How the Company engages**

- Regular open and honest two way communications**
- Supplier Code of Conduct**
- Supplier conferences, workshops and 'lunch and learn' sessions**
- Supplier due diligence**
- Involvement in Security supply chain development programme SC21**

**Regulators**

**Why they matter to us**

**We manage complex assets in a highly regulated sectors: nuclear and defence. We are committed to providing safe and effective operations. We must maintain positive and constructive relationships with regulators to be able to operate, to help shape policy in our markets and to position for future opportunities.**

**What matters to them – issues**

- Regulations, policies and standards**
- Governance and transparency**
- Trust and ethics**
- Safety and compliance of operations**
- Sustainability**
- Site specific issues**

**How the Company engages**

- Regular engagement (national, local and official level)**
- Brief , f**







**Directors report for the year ended 31 March 2022 (continued)**

**Going concern (continued)**

from the other group companies these amounts are due to confirming this position. Additionally, the Company is expected to be in a position to obtain finance via intercompany loans to continue to operate for at least twelve months from when the financial statements are authorised for issue and the Company has received a letter of support from Babcock International Group Plc confirming this position. In completing this analysis, the Directors have considered the ability of Babcock International Group Plc to provide such finance.

The Directors are not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Financial risk management**

The applicable financial risk management policies and exposure to financial risks including price, credit,



**Directors report for the year ended 31 March 2022 (continued)**

**Statement of disclosure of information to auditors**

**Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information**

**This confirmation is given and should be interpreted in accordance with the provisions of the s418 of the**

## **Directors' Responsibility 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 FRS 101 'Reduced Disclosure Framework'. 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;**
- Make judgements and accounting estimates that are reasonable and prudent;**
- State whether applicable UK 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 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.**

**The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.**



**Independent auditor's report to the members of Rosyth Royal Dockyard Limited**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**OPINION**

**In our opinion the financial statements of Rosyth Royal Dockyard Limited (the 'company'):**  
**give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;**  
**have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and**  
**have been prepared in accordance with the requirements of the Companies Act 2006**

**We have audited the financial statements which comprise:**  
**the income statement;**  
**the statement of comprehensive income;**  
**the statement of financial position;**  
**the statement of changes in equity;**



&ODVV LIL8FDW\$6Q),(' 5RV\WK 5R\DO 'RFN\DUG /LPLWHG

---

,QGHSHQGHQW DXGLWRU¶V UHSRUW WR WKH PHPEHUV RI 5RV

(;7(17 72 :+,&+ 7+( \$8',7 :\$6 &216,'(5(' &\$3\$%/( 2) '(7(&7,1\* ,55(\*8/\$5,7,(6 ,1&/8',1\* )5\$8' &217,18('

:H FRQVLGHUHG WKH QDWXUH RI WKH FRPSDQ¶V LQGXVWU\ DQG LWV FRP FRPSDQ¶V GRFXPHQDWLRQ RI WKHLU SROLFLHV DQG SURFHGXUHV UHO UHJXODWLRQV :H DOVR HQTXLUHG RI PDQDJHPHQW DQG WKH GLUHFWRU DVVHVVPHQW RI WKH ULNVV RI LUUHJXODULWLHV LQFOXGLQJ WKRVH WK

:H REWDLQHG DQ XQGHUVWDQGLQJ RI WKH OHJDO DQG UHJXODWRU\ IUDF LGHQWLILHG WKH NH\ ODZV DQG UHJXODWLRQV WKDW

- x KDG D GLUHFW HIIHFW RQ WKH GHWHUPLQDWLRQ RI PDWHULDO DPRXQ 7KXVH LQFOXGHG WKH 8. &RPSDQLHV \$FW DQG UHOHYDQW WD[ DQG SH
- x GR QRW KDYH D GLUHFW HIIHFW RQ WKH ILQDQFLDO VWDWHPHQWV EX WKH FRPSDQ¶V DELOLW\ WR RSHUDWH RU WR DYRLG D PDWHULDO SHO

**Independent auditor's report to the members of Rosyth Royal Dockyard Limited**

**EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES,  
INCLUDING FRAUD (CONTINUED)**

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following

**Independent auditor's report to the members of Rosyth Royal Dockyard Limited**

**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.**



---

**Statement of comprehensive income for the year ended 31 March 2022**

	Note	2022 £000	Restated 2021 £000
<b>Loss for the financial year</b>		<b>(32,307)</b>	<b>(17,369)</b>
<b>Other comprehensive income/(expense):</b>			
<b>Items that may be subsequently reclassified to income statement:</b>			
Fair value adjustment of interest rate and foreign exchange hedges		3,403	(3,403)
Tax impact of movement in derivatives		(647)	647
<b>Items that will not be subsequently reclassified to income statement:</b>			
Gain/(loss) on remeasurement of net defined benefit obligation	24	38,845	(68,067)
Tax on net defined benefit obligation	10	(5,188)	12,982
<b>Total comprehensive income/(expense) for the year</b>		<b>4,111</b>	<b>(75,260)</b>

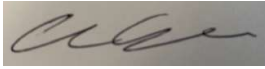




---

**Statement of financial position as at 31 March 2022 (continued)**

The financial statements on pages 21-63 were approved by the board of Directors on 12<sup>th</sup> September 2023 and signed on its behalf by:



**A Coyle**  
**Director**

**Registered number: SC101959**





**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**Basis of preparation (continued)**

- m) The requirements of IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group
- n) Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company intends to continue to prepare its financial statements in accordance with FRS 101.

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, Babcock International Group Plc, a company incorporated in the United Kingdom.

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**Going concern**

The Company's business activities, together with the factors likely to affect its future development and financial position are set out within the Strategic and Directors report. In addition, within the Directors' Report there are details of the financial risks that the Directors have highlighted as significant to the business.

As the Company is part of a larger group it participates in the group's centralised treasury arrangements and so shares banking arrangements with its parents and fellow subsidiaries. The Company is in a net current liabilities position of £402m but is not expected to settle the intercompany amounts due to parent and group



**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**Revenue recognised over time (continued)**

rendered, a contract liability is recognised. See section (h) for further details on how contract assets and liabilities are recognised.

**Revenue recognised at a point in time**

If control of the goods or services is not transferred to the customer over time, then revenue is recognised at the point in time that control is transferred to the customer:

Point in time recognition mainly applies to sale of goods. Control of equity securities





**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**Revenue (continued)**

**(h) Contract assets and liabilities**

Contract assets represent amounts for which the Company has a conditional right to consideration in exchange for goods or services that the Company has transferred to the customer. Contract liabilities represent the obligation to transfer goods or services to a customer for which consideration has been received, or consideration is due, from the customer.

Payment terms are set out in the contract and reflect the timing and performance of service delivery. For substantially all contracts the payment terms are broadly in line with satisfaction of performance obligations, and therefore recognition of revenue, such that each contract has either a contract asset or contract liability, however these are not overly material in the context of the contract.

**Intangible assets**

Intangible assets are stated at cost less accumulated amortisation. The intangible assets are amortised on a straight line basis as follows:

**a) Goodwill**

Goodwill relating to acquisitions prior to transition date is maintained at its net book value on the date of transition to FRS 101.

Goodwill is reviewed annually for impairment.

**b) Intellectual property**

The intellectual assets refer to the intellectual property, which are held on the balance sheet at cost. The carrying value of the intellectual property is amortised straight line over a useful life of 10 years.

**c) Acquired intangibles**

Acquired intangibles are the estimated fair value of customer relationships and brands which are in part contractual, represented by the value of the acquired order book, and in part non contractual, represented by the risk adjusted value of future orders expected to arise from the relationships.

The carrying value of the contracted element is amortised straight line over the remaining period of the orders that are in process or the future period in which the orders will be fulfilled.



**Classification** UNCLASSIFIED  
**Rosyth Royal Dockyard Limited**

**Notes to the financial statements (continued)**

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**Contingent liabilities**

**A contingent liability is a possible obligation arising from past events whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Company's control, or a present obligation that is not recognised because it is not probable that an outflow of economic benefits will occur or**

**Notes to the financial statements (continued)**

**2 Summary of significant accounting policies (continued)**

**Trade and other receivables**

Trade and other receivables are stated at their cost less provision for bad debts. A provision for bad debts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The Company writes off a trade receivable when there is objective evidence that the debtor is insignificant



**Classification** UNCLASSIFIED  
**Rosyth Royal Dockyard Limited**

**Notes to the financial statements (continued)**

**Registered number SC101959**

## **Classification**





**Notes to the financial statements (continued)**

**5 Operating loss**

Operating loss is stated after charging

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Depreciation of property, plant and equipment (Note 12)	5078	4899
Right of use depreciation (Note 13)	10	11
Amortisation of intangible assets (Note 11)	765	63
Operating lease charges – short term leases (Note 13)	28	16
Operating leases charges – low value leases (Note 13)	96	56
Audit fees payable to the Company's auditor	268	108

Fees paid to the company's auditors, Deloitte LLP and its associates (2022), PricewaterhouseCoopers LLP and its associates (2021) are disclosed on a consolidated basis in the financial statements of the ultimate parent undertaking Babcock International Group Plc.

**Classification** UNCLASSIFIED  
**Rosyth Royal Dockyard Limited**

**Notes to the financial statements (continued)**

**Registered number SC101959**

**Notes to the financial statements (continued)**

**8 Directors' remuneration (continued)**

The above amounts include the following in respect of the highest paid Director:

The emoluments of the directors which was paid by the Company was as follows:	2022 £000	2021 £000
Remuneration (including benefits in kind)	220	264
	<hr/>	<hr/>
	220	264

The highest paid Director did not exercise shares under long term incentive plans (2021: did not exercise shares under long term incentive plans).

The highest paid Director's defined benefit accrued pension and accrued lump sum at 31 March 2022 was \$69,975 (2021: \$61,437) and \$nil (2021: \$Nil), respectively.

**9 Share based payments**

The charge to the income statement is based on the amount charged from Babcock International Group Plc. This charge represents an allocation of the total charge based on the proportion which relates to Rosyth Royal Dockyard Limited. The total charge has been based on the assumptions below and is based on the binomial model as adjusted, allowing for a closed form numerical integrated solution, which makes it analogous to the Monte Carlo simulations, including performance conditions. The detailed description of the plans below is included within the Remuneration report in the Babcock International Group Plc Annual Report 2022 (a Nil), m Carlo



**Notes to the financial statements (continued)**

**9 Share based payments (continued)**

The expected volatility is based on historical volatility over the last one to three years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero coupon government bonds of a term consistent with the assumed option life.

The Group also operates the Babcock Employee Share Plan which allows employees to contribute up to £150 per month to the fund, which then purchases shares on the open market on the employees' behalf. The Group provides matching shares, purchased on the open market, of one share for every 10 purchased by the employee. During the year the Group bought 159,494 matching shares (2021: 180,175 matching shares) at a cost of \$0.5 million (2021: \$0.5 million).

The Group also operates the Babcock Employee Share Plan International which reflects the structure of the UK Plan. During the year 4,784 matching shares were purchased on the open market (2021: 5,000 matching shares) and 2,823 matching shares vested (2021: 1,193 matching shares) leaving a balance of 6,973



**Notes to the financial statements (continued)**

**11 Intangible assets**

	<b>Intellectual Property £000</b>	<b>Goodwill £000</b>	<b>Total £000</b>
<b>Cost</b>			
<b>At 1 April 2021</b>	<b>11,605</b>	<b>115,653</b>	<b>127,258</b>



**Notes to the financial statements (continued)**

**12 Property, plant and equipment**

	Freehold property £000	Investmen t property £000	Plant and equipme nt £000	Specialis ed Marine Facilities £000	Assets under constructi on £000	Total £000
<b>Cost</b>						
At 1 April 2021	29,056	1,483	26,222	50,597	32,947	140,305
Additions	-	-	-	-	29,264	29,264
Reclassification	862	-	2,548	-	(3,410)	-
At 31 March 2022	29,918	1,483	28,770	50,597	58,801	169,569
<b>Accumulated depreciation</b>						
At 1 April 2021	(11,855)	(1,483)	(18,077)	(24,801)	-	(56,216)
Charge for the year	(702)	-	(1,276)	(3,100)	-	(5,078)
At 31 March 2022	(12,557)	(1,483)	(19,353)	(27,901)	-	(61,294)
<b>Net book value</b>						
At 31 March 2022	17,361	-	9,417	22,696	58,801	108,275
At 31 March 2021	17,201	-	8,145	25,796	32,947	84,089





**Classification** UNCLASSIFIED  
**Rosyth Royal Dockyard Limited**

**Notes to the financial statements (continued)**  
**14 Inventories**

**Classification** UNCLASSIFIED  
**Rosyth Royal Dockyard Limited**

**Notes to the financial statements (continued)**



**Notes to the financial statements (continued)**

**17 Prior year restatements (continued)**

**31 March 2021 – Statement of financial position (extract)**

	31 March 2021 (previously published)	(i) Pensions	(ii) Reclas- sification of Notated contracts	(iii) Amounts Due from Parent and Group Undertakings Restatement	(iv) Classification of split between BMR and RRDL	(v) Group intercomp- any payable	(vi) Tax impact on movement in derivatives	31 March 2021 (restated)
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Assets</b>								
Deferred Tax	30,262	(1,135)	-	-	-	-	647	29,774
Other receivables due after one year	-	-	1,208	127,441	-	-	-	128,649
<b>Total non current assets*</b>	<b>237,655</b>	<b>(1,135)</b>	<b>1,208</b>	<b>127,441</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>365,816</b>
Trade and other receivables	92,023	-	(2,792)	(127,441)	111,104	-	-	72,894
Cash and cash equivalents	12,379	-	-	-	(11,358)	-	-	1,021
<b>Total current assets*</b>	<b>104,402</b>	<b>-</b>	<b>(2,792)</b>	<b>(127,441)</b>	<b>99,746</b>	<b>-</b>	<b>-</b>	<b>74,355</b>
Trade and other payables	(139,762)	-	451	-	(167,774)	17,825	-	(289,260)
Bank overdraft	(40,019)	-	-	-	40,019	-	-	-
<b>Total current Liabilities</b>	<b>(186,992)</b>	<b>-</b>	<b>451</b>	<b>-</b>	<b>(127,755)</b>	<b>17,825</b>	<b>-</b>	<b>(296,471)</b>
<b>Non-current liabilities</b>								
Retirement benefit deficits	(153,845)	5,974	-	-	-	-	-	(147,871)
<b>Total non current liabilities*</b>	<b>(154,024)</b>	<b>5,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(148,050)</b>
<b>Equity</b>								
Capital redemption and other reserves	147,169	-	-	-	-	-	647	147,816
Retained Earnings	(145,681)	-	-	17,662	-	-	-	17,662





**Classification UNCLASSIFIED**  
**Rosyth Royal Dockyard Limited**

**Notes to the financial statements (continued)**

**18 Provisions for liabilities**

The company had the following provisions during the year:

	<b>Contract/ warranty £000</b>	<b>Other</b>	<b>Total £000</b>
<b>At 1 April 2021</b>	<b>132</b>	<b>-</b>	<b>132</b>
<b>Charged to the income statement</b>	<b>-</b>	<b>753</b>	<b>753</b>
<b>Unused amounts reversed to the income statement</b>	<b>(132)</b>	<b>-</b>	<b>(132)</b>
<b>At 31 March 2022</b>	<b>-</b>	<b>753</b>	<b>753</b>

**Notes to the financial statements (continued)**

**20 Share capital (continued)**

On 1<sup>st</sup> April 2020 the Company purchased the trade and assets of Babcock Marine (Rosyth) Limited, its immediate parent, for consideration of £118,021,000 being the net book value of the assets, satisfied by the issue of 50 £1 ordinary shares at a premium of £118,020,950 or £2,360,419 per share.

**21 Dividends**

Dividends declared and paid were nil (2021: nil). There are no plans for a final dividend.

**22 Guarantees and financial commitments**

**a) Capital Commitments**

At 31 March 2022 the Company had capital commitments of £1,597,000 (2021: £28,080,460) for the purchase of various plant and equipment.

**b) Lease Commitments**

At 31 March 2022 the Company had lease commitments of nil for leases not yet commenced (2021: nil).

**23 Related party disclosures**

The Company has taken advantage of the exemptions within FRS 101 not to disclose transactions and balances with Babcock International Group.

**Notes to the financial statements (continued)**

**24 Pension commitments**

**Pension costs for defined contribution schemes are as follows:**

**31 March  
2022**

**31 March  
2021**

**Notes to the financial statements (continued)**

**24 Pension commitments (continued)**

In the last financial year, the Babcock International Group Pension Scheme was closed to future accrual for some employees. These members moved from active to active deferred members of the scheme, retaining a final salary link

**Rosyth Royal Dockyard Pension scheme**

The IAS 19 valuation has been updated at 31 March 2022 by an independent qualified actuary using revised assumptions that are consistent with the requirements of IAS 19. The date of the last full actuarial valuation was 31 March 2020. The major assumptions used for the IAS 19 valuation were:

The Company's cash contribution rates payable to the schemes are expected to be as follows:

	<b>Rosyth Royal Dockyard Pension scheme</b>
<b>Deficit contributions</b>	<b>666</b>
<b>Additional longevity swap payments</b>	<b>47</b>
<b>Expected total employer contributions</b>	<b>713</b>

The expected total employer contributions to be made by participating employers to the scheme in 2022/23 are \$666m (2021/22 \$675m). The future service rate is nil (2021/22 nil). The above level of funding is expected to continue until the next actuarial valuation, with valuations carried out every 3 years. The Company's share of this is allocated based on the percentage of active members of the scheme that it employs.

The changes to the Babcock International Group Plc balance sheet at March 2022 and the changes to the Babcock International Group Plc income statement for the year to March 2022, if the assumptions were sensitised by the amount stated, if this sensitisation is material, are set out in the following table:

**Classification** UNCLASSIFIED  
**Rosyth Royal Dockyard Limited**

**Notes to the financial statements (continued)**



**Notes to the financial statements (continued)**

**24 Pension commitments (continued)**

**Analysis of movement in the Group statement of financial position:**

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>Restated £000</b>
<b>Fair value of plan assets</b>		
<b>At 1 April</b>	<b>877,967</b>	<b>850,781</b>
<b>Interest on assets</b>	<b>18,278</b>	<b>17,367</b>
<b>Actuarial gain on assets*</b>	<b>34,214</b>	<b>52,691</b>
<b>Employer contributions</b>	<b>75,468</b>	<b>26,968</b>
<b>Employee contributions</b>	<b>-</b>	<b>4</b>
<b>Benefits paid</b>	<b>(65,960)</b>	<b>(69,844)</b>
<b>At 31 March</b>	<b>989,967</b>	<b>877,967</b>
<b>Present value of benefit obligations</b>		
<b>At 1 April</b>	<b>1,004,528</b>	<b>904,973</b>
<b>Service cost</b>	<b>-</b>	<b>1,948</b>
<b>Incurred expenses</b>	<b>1,544</b>	<b>1,488</b>
<b>Interest cost</b>	<b>19,412</b>	<b>18,980</b>
<b>Employee contributions</b>	<b>-</b>	<b>4</b>
<b>Experience loss</b>	<b>10,967</b>	<b>2,191</b>
<b>Actuarial gain – demographics</b>	<b>(22,630)</b>	<b>(1,366)</b>
<b>Actuarial (gain)/loss – financial</b>	<b>(49,356)</b>	<b>138,498</b>
<b>Benefits paid</b>	<b>(65,960)</b>	<b>(69,844)</b>
<b>Past service costs</b>	<b>-</b>	<b>208</b>
<b>Curtailment</b>	<b>-</b>	<b>7,500</b>
<b>At 31 March</b>	<b>898,508</b>	<b>1,004,528</b>
<b>Net surplus/(deficit) at 31 March</b>	<b>41,461</b>	<b>(126,562)</b>

**The deficit**

