
STATUTORY INSTRUMENTS

2014 No. 3337

The Single Source Contract Regulations 2014

PART 6

Reports on overheads and forward planning etc

Interpretation

- 32.**—(1) In this Part, “QBU” (qualifying business unit) means—
- (a) a unit to which paragraph (3) applies in respect of a relevant period;
 - (b) an undertaking to which paragraph (4) applies in respect of a relevant period; or
 - (c) a group of undertakings to which paragraph (5) applies in respect of a relevant period.
- (2) A period is relevant if it ends on a day falling within the relevant financial year.
- (3) This paragraph applies to a unit in respect of any period if—
- (a) the unit carries on any activities for the purposes of an undertaking which is, or is associated with, the designated person;
 - (b) separate financial accounting statements are produced in respect of it for that period;
 - (c) in that period it provides anything for the purposes of any qualifying defence contract or qualifying sub-contract to which the designated person, or any person associated with the designated person, is party; and
 - (d) the total value of what it provides for those purposes in that period is at least £10,000,000.
- (4) This paragraph applies to an undertaking in respect of any period if—
- (a) no unit is a QBU in respect of that period by virtue of carrying on activities for the purposes of that undertaking;
 - (b) the undertaking is, or is associated with, the designated person;
 - (c) financial accounting statements are produced in respect of it for that period;
 - (d) in that period it provides anything for the purposes of any qualifying defence contract or qualifying sub-contract to which the designated person, or any person associated with the designated person, is party; and
 - (e) the total value of what it provides for those purposes in that period is at least £10,000,000.
- (5) This paragraph applies to a group of undertakings in respect of any period if—
- (a) no unit is a QBU in respect of that period by virtue of carrying on activities for the purposes of any of those undertakings;
 - (b) none of those undertakings is a QBU in respect of that period;
 - (c) each of those undertakings either is, or is associated with, the designated person;
 - (d) a single set of financial accounting statements is produced in respect of the group for that period, separate from those of the parent undertakings of any of those undertakings;

- (e) in that period the group provides anything for the purposes of any qualifying defence contract or qualifying sub-contract to which the designated person, or any person associated with the designated person, is party; and
 - (f) the total value of what the group provides for those purposes in that period is at least £10,000,000.
- (6) In this Part—
- (a) “defence contract” means—
 - (i) any contract to which the Secretary of State for Defence is party; or
 - (ii) any contract entered into for the purpose of enabling a contract within paragraph (i), or this paragraph, to be fulfilled;
 - (b) “the designated person” means—
 - (i) where the person mentioned in regulation 31(1) (“P”) is associated with one or more other persons, the ultimate parent undertaking in relation to P and those other persons,
 - (ii) otherwise, P,and section 25(9) (definition of “ultimate parent undertaking”) applies for the purposes of this sub-paragraph as it applies for the purposes of section 25(3);
 - (c) “direct costs” means costs which have not been calculated using a cost recovery rate;
 - (d) “pricing QBU” means a QBU in relation to which a cost recovery rate has been used for determining the price payable under any contract mentioned in paragraph (3)(c), (4)(d) or (5)(e), as the case may be;
 - (e) “the relevant accounting period”, in relation to a QBU, means the period in respect of which paragraph (3), (4) or (5) applies to the QBU.