

The hard pressed UK MoD has made gifts to the US Armed Forces. They include four permanent protected structures currently used as UK dining facilities located within the Contingency Operating Base (COB), Basra. The COB has been occupied by the UK Armed Forces since May 2003 as part of Operation TELIC. The UK's planned transition within Iraq will see our Armed Forces, during the early part of 2009, hand over responsibility for the military operation within Multi-National Division (South East) to the US. In order to enable the transition the UK Armed Forces will be required to vacate the COB to allow a US Brigade Unit under the command of HQ 10th Mountain Division to infill.

The MoD Disposal Service Authority (DSA) valued the contents (non-fixed assets) of all four permanent dining facilities at £456,885. The contents comprise sinks, walk-in refrigeration units, food preparation areas, catering equipment and furnishings. The permanent structures have been given a zero value by the Defence Land Estate Agent (DLA) as they sit on Iraqi soil and cannot be sold on the open market. UK investment over financial years 07/08, 08/09 is £45.399M, which through impairment (a technical write down in value) is reduced to a nominal sum of £1. The US intention is to use four permanent structures as dining facilities, although should this change, the MoD will instruct DSA to sell removable contents from each. The structures and their contents will eventually transfer to Iraq when the US Armed Forces no longer have a use for them. In total the gift is worth £456,886.

Although not a gift, an additional four incomplete structures have been handed over to the US Armed Forces, which will eventually transfer to Iraqi control. The total value of these structures was £50.620M, which has been treated as a constructive loss. The combined value, therefore, of all buildings and contents is £96.476M (hardened structures gifted, impaired to £1), £0.457M (the gifted contents) plus £50.620M (the constructive loss on the incomplete structures).