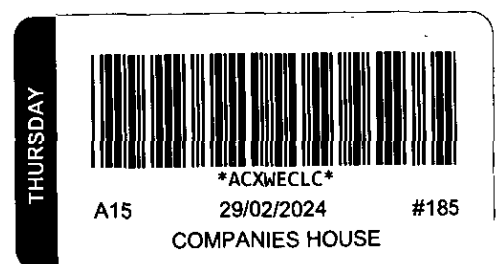


Vosper Thornycroft (UK) Limited
Annual Report and Financial Statements
For the year ended 31 March 2023

Company registration number:
00070274 (England and Wales)



Vosper Thornycroft (UK) Limited

Directors and advisors

Current directors

N Borrett

R Clark

S Doherty

Company secretary

Babcock Corporate Secretaries Limited

Registered office

33 Wigmore Street

London

W1U 1QX

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Vosper Thornycroft (UK) Limited

Strategic report for the year ended 31 March 2023

The directors present their Strategic report on Vosper Thornycroft (UK) Limited (the Company) for the year ended 31 March 2023.

Review of the business and principal activities

The Company is an investment holding company. The level of activity during the year fluctuates depending on the dividends paid upwards from subsidiaries and the impairments made on investments in subsidiaries. The directors do not expect this to change significantly in the next financial period.

	2023	2022
	£000	£000
Profit for the financial year	47,581	9,705
Income from shares in group undertakings (note 7)	-	10,000
Impairment of investments (note 7)	-	(99,470)
Impairment of investments reversal (note 7)	64,927	99,745

Principal risks and uncertainties

The Company's ultimate controlling parent is Babcock International Group PLC. Risks are managed at a group level in accordance with the risk management framework of Babcock International Group PLC. The principal risks and uncertainties of Babcock International Group PLC are discussed in its Annual Report and Financial Statements for the year ended 31 March 2023.

Further discussion of these risks and uncertainties, in the context of the Group as a whole is provided on pages 87 to 103 of the Annual Report and Financial Statements of Babcock International Group PLC, which does not form part of this report.

Climate action is a key focus: we are continuing to progress our Group-wide decarbonisation programme (Plan Zero 40). Aligned with the Plan Zero 40 pathway announced last year, we commenced baselining our carbon footprint and submitted carbon reduction targets to the Science-Based Targets initiative in April 2023. These are to be achieved by 2030 and will set us on course for decarbonising our estate, assets and operations to reach our overarching goal of net zero emissions by 2040. Further information is included on page 58 to 86 of the Annual Report and Financial Statements of Babcock International Group PLC.

Key performance indicators

The Babcock Group's activities are managed on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company.

Strategic report for the year ended 31 March 2023 *(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 a company to act in the way 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.
- b) the interests of the company's employees.
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) the impact of the company's operations on the community and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company.

Stakeholder engagement is managed in accordance with Group policies and procedures which are discussed on pages 56, 57 and 115 of the Annual Report and Financial Statements of Babcock International Group PLC, which does not form part of this report.

Business relationships

We are committed to conducting business honestly, transparently and with integrity. Understanding the needs and challenges of our customers allows us to help them to succeed. We work in partnership with public and private customers across the globe, enabling them to deliver critical programmes and services, adding value to their operations. We seek to solve their challenges through excellent operational performance and the introduction of innovative solutions and technology to support their longer-term needs. We build and maintain long-term relationships with our customers to promote the future success of the Company.

To support our global business operations and strategy we require an efficient and highly effective supply chain. This means we need to foster trusted and collaborative relationships with suppliers who share our appetite to drive improvement through innovation and best practice. Our external supply chains are an important part of our performance and by working collaboratively with suppliers we can ensure continuity of supply, minimise risk and bring innovative solutions to our customers. These engagement activities form part of the Group-wide Procurement Strategy as described on pages 20 to 21 and 83 to 85 of the Annual Report and Financial Statements of Babcock International Group PLC.

Vosper Thornycroft (UK) Limited

Strategic report for the year ended 31 March 2023 *(continued)*

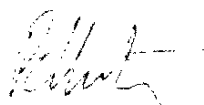
The community and environment

Sustainability is an integral part of our corporate strategy and how we do business, it underpins our Corporate Purpose: to create a safe and secure world, together. We have done a lot in the past year to drive our sustainability programme across the Group, ensure progress towards our corporate commitments and deliver our five ESG priorities shown below:

- a) We will reduce emissions and set science-based targets to get to net zero across our estate, assets and operations by 2040;
- b) We will integrate environmental sustainability into programme design to minimise waste and optimise resources;
- c) We will ensure the safety and wellbeing of all our people;
- d) We will make a positive difference to the communities we're proud to be part of and provide high-quality jobs that support local economies;
- e) We will be a collaborative, trusted partner across the supply chain, helping to tackle common challenges.

These activities form part of the Group-wide ESG Strategy as described on pages 58 to 86 of the Annual Report and Financial Statements of Babcock International Group PLC.

This report was approved by the board on 20 December 2023 and signed on its behalf by:



R Clark
Director

Vosper Thornycroft (UK) Limited

Directors' report for the year ended 31 March 2023

The directors present their report and the financial statements of the Company for the year ended 31 March 2023.

Dividends

Dividends declared and paid during the financial year were £nil (2022: £nil). In view of the deficit on retained earnings the Directors are unable to recommend the payment of any dividend.

Directors

The directors who held office during the year and up to the date of signing the Annual Report and Financial Statements were as follows:

N Borrett
R Clark (appointed 20 October 2022)
S Doherty (appointed 31 May 2022)
I Urquhart (resigned 31 May 2022)

The Board is not aware of any contract of significance in relation to the Company in which any Director has, or has had, a material interest.

Future developments

There are no plans to alter significantly the business of the Company.

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 Report 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 £1,142.8 million, comprised of intercompany amounts due to parent and group companies of £1,142.7 million. The Company is not expected to settle the intercompany amounts due to parent and group undertakings until the Company has sufficient liquidity to do so and the Company has received confirmation 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 Southern Holdings Limited confirming this position. In completing this analysis, the Directors have considered the ability of Babcock Southern Holdings Limited 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, liquidity and cash flows are discussed in detail within the Annual Report and Financial Statements of Babcock International Group PLC.

Vosper Thornycroft (UK) Limited

Directors' report for the year ended 31 March 2023 *(continued)*

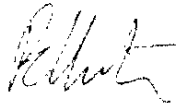
Qualifying third party indemnity provisions

Babcock International Group PLC provides protections for directors of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third party indemnity provisions (as defined by Companies Act 2006) for the benefit of members of Babcock International Group PLC, including, where applicable, in their capacity as a director of the Company and other companies within the Group. These indemnities came into force in 2012 and remain in force.

Post balance sheet events

There have been no significant events since the balance sheet date which materially affect the position of the Company.

This report was approved by the board on 20 December 2023 and signed on its behalf by:



R Clark
Director

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). 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 Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Vosper Thornycroft (UK) Limited**Income Statement***for the year ended 31 March 2023*

	Note	2023 £000	2022 £000
Administrative expenses		-	(3,212)
Other operating income		947	-
Operating profit / (loss)	4	947	(3,212)
Income from shares in group undertakings	7	-	10,000
Impairment of investments	7	-	(99,470)
Impairment of investments reversal	7	64,927	99,745
Provision for Expected Credit Losses	8	(19,092)	-
Profit before interest and taxation		46,782	7,063
Finance income	5	10,945	6,761
Finance costs	5	(10,146)	(4,119)
Profit before taxation		47,581	9,705
Income tax expense	6	-	-
Profit for the financial year		47,581	9,705

All of the above results derive from continuing operations.

There have been no other comprehensive gains / losses during either the current or prior year other than as disclosed in the profit and loss account and therefore no separate statement of comprehensive income has been presented.

Vosper Thornycroft (UK) Limited

Statement of Financial Position as at 31 March 2023

	Note	2023 £000	2022 £000
Non-current assets			
Investment in subsidiaries	7	1,090,267	1,025,340
Trade and other receivables	8	395,864	429,559
		<u>1,486,131</u>	<u>1,454,899</u>
Current assets			
Cash and cash equivalents		<u>78</u>	<u>74</u>
Current liabilities			
Trade and other payables	9	(1,142,740)	(1,155,151)
Bank overdraft		(165)	(3,627)
		<u>(1,142,905)</u>	<u>(1,158,778)</u>
Net current liabilities		<u>(1,142,827)</u>	<u>(1,158,704)</u>
Total assets less current liabilities		<u>343,304</u>	<u>296,195</u>
Non-current liabilities			
Provisions for liabilities	10	(6,900)	(7,372)
Net assets		<u>336,404</u>	<u>288,823</u>
Equity			
Called up share capital	11	4,678	4,678
Share premium account		851,604	851,604
Other reserves		14,608	14,608
Retained deficit		(534,486)	(582,067)
Total shareholder's funds		<u>336,404</u>	<u>288,823</u>

The notes on pages 12 to 22 are an integral part of these financial statements.

For the year ending 31 March 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 9 to 22 were approved by the Board of directors and signed on its behalf by:



R Clark - Director
20 December 2023

Vosper Thornycroft (UK) Limited**Statement of Changes in Equity**
for the year ended 31 March 2023

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained deficit £000	Total shareholder's funds £000
Balance at 1 April 2021	4,678	851,604	14,608	(591,772)	279,118
Profit for the financial year	-	-	-	9,705	9,705
Balance at 31 March 2022	4,678	851,604	14,608	(582,067)	288,823
Profit for the financial year	-	-	-	47,581	47,581
Balance at 31 March 2023	4,678	851,604	14,608	(534,486)	336,404

Vosper Thornycroft (UK) Limited

Notes to the financial statements

1 General information

Vosper Thornycroft (UK) Limited is a private company which is incorporated and domiciled in the UK. The address of the registered Office is 33 Wigmore Street, London W1U 1QX.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). These financial statements are prepared on a going concern basis, under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest thousand.

The Company is a subsidiary of Babcock Southern Holdings Limited and is included in the consolidated financial statements of Babcock International Group PLC which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the company applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the UK, but makes amendments where necessary in order to comply with the Companies Act 2006 and sets out below where advantage of the FRS 101 disclosure exemptions has been taken:

- a) Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- b) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information in respect of:
 - paragraph 79(a) (iv) of IAS 1 Share capital and reserves;
- c) The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), 10(f), 16, 38, 40, 111, and 134-136;
- d) IAS 7, 'Statement of cash flows';
- e) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors';
- f) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation;
- g) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

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

Vosper Thornycroft (UK) Limited

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 Report 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 £1,142.8 million, comprised of intercompany amounts due to parent and group companies of £1,142.7 million. The Company is not expected to settle the intercompany amounts due to parent and group undertakings until the Company has sufficient liquidity to do so and the Company has received confirmation 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 Southern Holdings Limited confirming this position. In completing this analysis, the Directors have considered the ability of Babcock Southern Holdings Limited 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.

Investments

Fixed asset investments are stated at cost less provision for impairment in value.

Impairment of non-current assets

The Company performs impairment testing where indicators of impairment are identified. Impairment testing is performed at the individual asset level. Where an asset does not generate cash flows that are separately identifiable from other assets, the Company estimates the recoverable amount of the CGU (Cash Generating Unit) to which the asset belongs. The recoverable amount is the higher of fair value less costs of disposal, and value-in-use. When the recoverable amount is less than the carrying amount, an impairment loss is recognised immediately in the Company income statement. Where an impairment loss on other non-financial non-current assets subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised in prior years.

Trade and other receivables

Trade and other receivables (including amounts due from group undertakings) are stated at their cost less expected credit losses. A provision for bad debt 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.

Notes to the financial statements *(continued)***2 Summary of significant accounting policies** *(continued)***Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are initially recognised at fair value, which is usually original invoice amount and are subsequently held at amortised cost using the EIR method (although, in practice, the discount is often immaterial). If payment is due within one year or less payables are classified as current liabilities. If not, they are presented as non-current liabilities.

Taxation

Current income tax:

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Finance income

Finance income is recognised in the period to which it relates using the effective interest rate method.

Finance costs

Finance costs are recognised as an expense in the period in which they are incurred unless they are attributable to an asset under construction, in which case finance costs are capitalised.

Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the local currency at the year end exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates ruling at the balance sheet date of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Provisions for liabilities

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate discount rate. A provision for warranties is recognised on completed contracts and disposals when there is a realistic expectation of the Company incurring further costs.

Cash and cash equivalents

Company cash and cash equivalents consist of cash at bank and cash in hand, together with short-term deposits with an original maturity of three months or less and money market funds.

Vosper Thornycroft (UK) Limited

Notes to the financial statements *(continued)*

3 Critical accounting estimates and judgements

In the course of preparation of the financial statements no judgements have been made in applying the Company's accounting policies, other than those involving estimates, that have had a material effect on the amounts recognised in the financial statements. The application of the Company's accounting policies requires the use of estimates and the inherent uncertainty in forward looking estimates may result in a material adjustment to the carrying amount of assets and liabilities in the next financial year. Critical accounting estimates are subject to continuing evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in light of known circumstances. The key assumptions about the future, and other key sources of estimation uncertainty at the reporting year end that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Critical accounting estimates – Impairment of investment in subsidiaries

The carrying value of investment in subsidiaries is tested annually for impairment, in accordance with IAS 36. The impairment assessment is based on assumptions in relation to the cash flows expected to be generated by the subsidiaries, together with appropriate discounting of the cash flows.

4 Operating profit

Operating profit is stated after crediting / (charging):

	Note	2023 £000	2022 £000
Foreign exchange gain		1,134	817
Release of provision	10	-	609
Write off of loans receivable from group undertakings:			
Babcock Leaseco Limited		-	(4,609)

5 Finance income and Finance costs

	2023 £000	2022 £000
Finance income:		
Interest receivable from group undertakings	10,945	6,761
	10,945	6,761
Finance costs:		
Interest payable to group undertakings	(9,949)	(3,918)
Bank interest payable	(51)	-
Unwinding of provision (note 10)	(146)	(201)
	(10,146)	(4,119)

Vosper Thornycroft (UK) Limited

Notes to the financial statements (continued)

6 Income tax expense

Tax expense for the year is lower (2022: Lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2023 of 19% (2022: 19%). The differences are explained below:

	2023 £000	2022 £000
Profit before taxation	47,581	9,705
Profit / (loss) before taxation multiplied by standard UK corporation tax rate of 19% (2022: 19%)	9,040	1,844
Effects of:		
Income not deductible for tax purposes	(8,708)	(1,077)
Group relief claimed for nil consideration	(332)	(767)
Total tax charge for the year	-	-

In 2020 budget, it was announced that the decrease in UK rate of corporation tax from 19% to 17% was cancelled. On the 24th May 2021, the Finance Act 2021 was substantively enacted, increasing the main rate of UK corporation tax from 19% to 25% with effect from the 1st April 2023.

7 Investments

	2023 £000	2022 £000
Cost		
At 1 April and 31 March	2,149,944	2,149,944
Accumulated impairment		
At 1 April	(1,124,604)	(1,124,879)
Impairment	-	(99,470)
Impairment reversal	64,927	99,745
At 31 March	(1,059,677)	(1,124,604)
Carrying value		
At 31 March	1,090,267	1,025,340

Results of the current year impairment assessment:

The impairment test for the year ended 31 March 2023 resulted in a reversal of the previously recognised impairment against the investments in Babcock Defence & Security Holdings Limited of £6.1 million (2022: £nil), Babcock Critical Assets Holdings LLP of £58.8 million (2022: charge £90.2 million), Babcock Infrastructure Holdings LLP £nil (2022: charge £9.3 million) and D&S Holdings LLP £nil (2022: £99.7 million).

In the prior year dividends were received from Babcock Infrastructure Holdings LLP of £10,000,000.

The Directors believe that the carrying value of the investments is supported by their future cash flow projections. A full list of related undertakings for the Company is disclosed in note 15.

Vosper Thornycroft (UK) Limited

Notes to the financial statements (continued)

7 Investments (continued)

Key assumptions

The key assumptions to which the recoverable amount of the Company's investment in subsidiary undertakings is most sensitive are future cash flows, long-term growth rates and discount rates. Further details on how these inputs are determined are set out in note 10 of the Group financial statements for the year ending 31 March 2023.

The value-in-use calculations do not include the anticipated benefits of the Group's revised operating model or the implementation costs of this project, reflecting that the Group was not committed to the project at 31 March 2023.

The discount rates used to determine the recoverable amount of the Company's investment in subsidiary undertakings are 12.4% – 13.1% (2022: 11.3% - 11.7%). The long-term growth rates used to determine the recoverable amount of the Company's investment in subsidiary undertakings are 1.9% – 2.1% (2022: 1.8% - 2.5%).

Sensitivity

The Directors carried out sensitivity analysis on the reasonably possible changes in key assumptions used to determine the recoverable value of the Company's investment in subsidiary undertakings.

The Company's calculation of recoverable value presents a reversal of previously recognised impairments of £64.9m in the year ending 31 March 2023. Accordingly, reasonably possible changes in estimates could give rise to a material impairment in the following year. The Company carried out sensitivity analysis on the reasonably possible changes in the discount rate and long-term growth rate used in the value-in-use models for the Company's investment in subsidiary undertakings.

An increase to the pre-tax discount rate of 100 basis points would cause a decrease to the impairment reversal of £39.8 million. A decrease to the long-term growth rate of 50 basis points would cause a decrease to the impairment reversal of £14.8 million.

The Directors consider that key cash flow assumptions in the calculation of the recoverable value of the Company's investment in subsidiary undertakings include short-term cash flows. If the year-on-year growth is decreased by 15%, the value in use for the Company's investment in subsidiary undertakings decreases by £20.5 million.

8 Trade and other receivables

	2023 £000	2022 £000
Non-current		
Amounts due from group undertakings	329,902	357,388
UK corporation tax recoverable	65,962	72,171
	395,864	429,559

The amounts due from group undertakings is stated after the provision for expected credit losses of £19.1 million (2022: £nil).

Vosper Thornycroft (UK) Limited

Notes to the financial statements (continued)

8 Trade and other receivables (continued)

Amounts due from group undertakings are unsecured, repayable on demand and comprised of (prior to provision for expected credit losses):

- £150,449,000 (2022: £152,723,000) bearing interest at SONIA +4%;
- £3,319,000 (2022: £3,974,000) bearing interest at 9.04%;
- £247,000 (2022: £276,000) bearing interest at 8%; and
- The remaining £194,979,000 (2022: £200,415,000) is non-interest bearing.

9 Trade and other payables

	2023 £000	2022 £000
Current		
Amounts due to group undertakings	1,142,731	1,155,124
Other creditors	9	27
	<u>1,142,740</u>	<u>1,155,151</u>

Amounts due to Group undertakings are repayable on demand and comprised of:

- £210,214,000 (2022: £210,214,000) bearing interest SONIA +0.5%;
- £7,250,000 (2022: £7,250,000) bearing interest at SONIA -0.125%;
- £227,467,000 (2022: £227,467,000) bearing interest at 1.13%; and
- The remaining £697,800,000 (2022: £710,193,000) are non-interest bearing.

The Company has access to the Babcock International Group PLC overdraft facility.

10 Provisions for liabilities

	2023 £000	2022 £000
At 1 April	7,372	8,038
Utilised during the year	(618)	(258)
Unwinding of discount	146	201
Released during the year	-	(609)
At 31 March	6,900	7,372

The provision for liabilities represents potential historic liabilities, primarily in relation to asbestos, and has been calculated using professional actuarial advice. The provision is expected to be substantially settled by 2040.

11 Called up share capital

	2023 £000	2022 £000
23,391,575 (2022: 23,391,575) ordinary shares of 20p each	<u>4,678</u>	<u>4,678</u>

12 Dividends paid

No dividends were declared and paid (2022: £nil). There are no plans for a final dividend (2022: £nil).

Vosper Thornycroft (UK) Limited

Notes to the financial statements *(continued)*

13 Contingent liabilities

At the year end date the Company has guaranteed or has joint and several liability for bank overdraft facilities that are shared across multiple Group companies with utilisation of £21.0m at 31 March 2023 (2022: £383.6m).

14 Related party disclosures

The Company has taken advantage of the exemptions within FRS 101 not to disclose transactions and balances with Babcock International Group PLC and its wholly owned subsidiaries, on the grounds that the Company itself is a wholly owned subsidiary of Babcock International Group PLC, for which the consolidated financial statements are publicly available.

15 Related undertakings

A full list of subsidiary undertakings and significant holdings as at 31 March 2023 is disclosed below:

Name	Registered Office address	Ultimate %
Advanced Jet Training Holdings Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Advanced Jet Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Airwork Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Airwork Technical Services & Partners LLC	PO Box 248 (Muaskar Al Murtafa'a (MAM) Garrison), Muscat, 100, Sultanate of Oman	50.55%
ALC (FMC) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester, M2 5WA, United Kingdom	49.56%
ALC (Holdco) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester, M2 5WA, United Kingdom	49.56%
ALC (SPC) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester, M2 5WA, United Kingdom	49.56%

Vosper Thornycroft (UK) Limited

Notes to the financial statements *(continued)*

15 Related undertakings *(continued)*

Name	Registered Office address	Ultimate %
ALC (Superholdco) Limited	The Business Debt Advisor, 18-22 Lloyd Street, Manchester, M2 5WA, United Kingdom	49.56%
Ascent Flight Training (Holdings) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Ascent Flight Training (Management) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Ascent Flight Training (Services) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Babcock Aerospace Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Babcock Airports Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	93%
Babcock B.V.	Bezuidenhoutseweg 1, 2594 AB The Hague, The Netherlands	93%
Babcock Corporate Services Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock Critical Assets Holdings LLP*	33 Wigmore Street, London, W1U 1QX, United Kingdom	93%
Babcock Critical Services Limited	c/o DWF LLP, Sentinel, 103 Waterloo Street, Glasgow, Scotland, G2 7BW, United Kingdom	93%
Babcock Defence & Security Holdings LLP*	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Babcock Defence and Security Investments Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Babcock Dyncorp Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	55.5%
Babcock Education and Skills Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock Engineering Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock Fire Services (SW) Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock Fire Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Babcock Infrastructure Holdings LLP*	BDO LLP, 5 Temple Square, Temple Street, Liverpool, England, L2 5RH, United Kingdom	93%
Babcock Integration LLP	33 Wigmore Street, London, W1U 1QX, United Kingdom	8.73%
Babcock International Support Services Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock Investments (Fire Services) Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock IP Management (Number One) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	8.73%
Babcock IP Management (Number Two) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	8.73%

Vosper Thornycroft (UK) Limited

Notes to the financial statements *(continued)*

15 Related undertakings *(continued)*

Name	Registered Office address	Ultimate %
Babcock Land Defence Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Babcock Land Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Babcock Leaseco Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock Malta Limited*	44 Esplanade, St Helier, JE4 9WG, Channel Islands	100%
Babcock Management 2019 Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Babcock Marine Products Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock Marine Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Babcock Southern Careers Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock Support Services GmbH	Am Zoppenberg 23, 41366 Schwalmtal, Germany	99.11%
Babcock Support Services Limited	c/o DWF LLP, Sentinel, 103 Waterloo Street, Glasgow, Scotland, G2 7BW, United Kingdom	99.11%
Babcock Technical Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%
Babcock Vehicle Engineering Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	93%
Debut Services (Contracts) Ltd	142 Northolt Road, Harrow, Middlesex, HA2 0EE, United Kingdom	9.01%
Debut Services (South West) Limited	c/o Bovis Lend Lease Limited, 20 Triton Street, Regent's Place, London, England, NW1 3BF	49.56%
Debut Services Limited	c/o Bovis Lend Lease Limited, 20 Triton Street, Regent's Place, London, England, NW1 3BF	14.87%
Fixed Wing Training Holdings Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Fixed Wing Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Flagship Fire Fighting Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
iMAST Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	99.11%
Peterhouse GmbH	Am Zoppenberg 23, 41366 Schwalmtal, Germany	99.11%
Rear Crew Training Holdings Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Rear Crew Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Rotary Wing Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	49.56%
Westminster Education Consultants Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100%

*Directly owned by Vosper Thornycroft (UK) Limited.

Vosper Thornycroft (UK) Limited

Notes to the financial statements *(continued)*

16 Immediate and ultimate parent undertakings

The Company's immediate parent company is Babcock Southern Holdings Limited, a company registered in England and Wales. The Company's ultimate parent company and ultimate controlling party is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the Company are consolidated is that headed by Babcock International Group PLC. Copies of Babcock International Group PLC Financial Statements are available from the following address:

The Company Secretary - Babcock International Group PLC
33 Wigmore Street
London
W1U 1QX