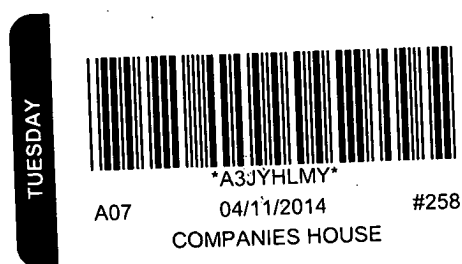


**Babcock Partners No 2010 Limited**

**Annual report  
For the year ended 31 March 2014**

**Company registration number:  
349147**



**Directors and advisors**

**Directors**

A Dungate  
F Martinelli

**Company secretary**

Babcock Corporate Secretaries Limited

**Registered office**

33 Wigmore Street  
London  
W1U 1QX

**Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Savannah House  
3 Ocean Way  
Southampton  
SO14 3TJ

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## **Babcock Partners No 2010 Limited**

### **Directors' Report**

#### **Directors' report for the year ended 31 March 2014**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2014.

#### **Principal activities and future developments**

On 9 July 2010 the principal contract of the business was sold because the services provided were no longer core to the wider Babcock group strategy. The Company is not expected to trade going forwards and it is the intention of the directors to liquidate the Company in the foreseeable future.

#### **Principal risks and uncertainties and financial risk management**

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. These are managed through the operational review process supplemented at Group level by independent challenge and review by the Group Risk Manager and the Audit and Risk Committee.

The principal risk to the Company is recoverability of the intercompany debtor.

Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 64 to 71 of the annual report of Babcock International Group PLC, which does not form part of this report.

#### **Key performance indicators**

The Company'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. The growth and performance of Babcock Defence & Security, a division of Babcock International Group PLC, which includes the Company, is discussed on pages 26 to 31 and 44 to 51 of the Group's report, which does not form part of this report.

#### **Results and dividends**

The Company made neither a profit nor loss (2013: £nil). At 31 March 2014, the Company had net assets of £7,621,000 (2013: £7,621,000).

No dividends were paid or proposed during the current or comparative year.

**Directors' Report (cont)**

**Directors**

The directors who held office during the year and up to the date of signing the annual report were as follows:

A Dungate  
F Martinelli

**Statement of 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

**Directors' protection**

Babcock International Group PLC also provides protections for Directors of Company 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.

**Directors' Report (cont)**

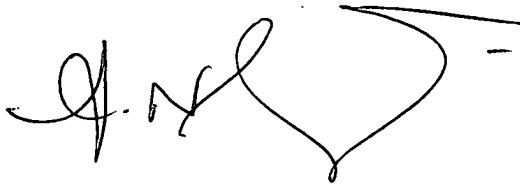
**Disclosure of information to auditors**

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.

The directors have taken advantage of Section 414B of the Companies Act 2006 in relation to small entities.

By order of the board

A Dungate

A handwritten signature in black ink, appearing to read 'A. Dungate', with a long horizontal line extending to the right.

**Company Secretary**

FOR AND ON BEHALF OF  
BABCOCK CORPORATE SECRETARIES LIMITED

18 September 2014

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## **Babcock Partners No 2010 Limited**

### **Independent auditors' report to the members of Babcock Partners No 2010 Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

##### **Emphasis of matter – Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the basis of accounting. The company has ceased trading and it is the intention of the directors to liquidate the company. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision to cease trading or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

##### **What we have audited**

The financial statements, which are prepared by Babcock Partners No 2010 Limited, comprise:

- the Balance sheet as at 31 March 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Other matters on which we are required to report by exception**

**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

**Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Michael Coffin (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Southampton

19 September 2014

# Babcock Partners No 2010 Limited

## Balance sheet

as at 31 March 2014

	Notes	2014 £000	2013 £000
<b>Current assets</b>			
Debtors	5	7,000	7,000
Cash at bank and in hand		<u>621</u>	<u>621</u>
<b>Net assets</b>		<u>7,621</u>	<u>7,621</u>

## Capital and reserves

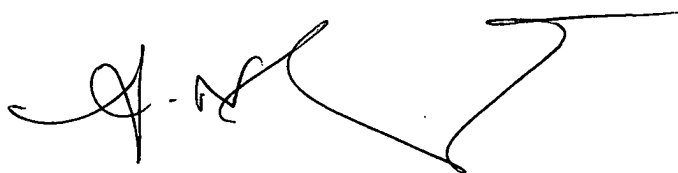
Called-up share capital	6	50	50
Profit and loss account	7	<u>7,571</u>	<u>7,571</u>
<b>Total shareholders' funds</b>	7	<u>7,621</u>	<u>7,621</u>

The financial statements on pages 7 - 10 were approved by the board of directors and signed on its behalf by:

A Dungate

Director

19 September 2014





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## **Babcock Partners No 2010 Limited**

### **Notes to the financial statements**

#### **1. Accounting policies**

The following accounting policies have been applied consistently throughout the year.

##### ***Basis of preparation***

These financial statements have been prepared in accordance with UK generally accepted accounting principles and the Companies Act 2006, using the historical cost convention.

The Company's principal contract having been sold in 2010, and the Company having ceased trading at that date, it is the intention of the directors to liquidate the Company in the foreseeable future. Accordingly, the going concern basis of accounting is no longer appropriate and these financial statements have been prepared on a basis other than going concern.

The Company is a wholly-owned subsidiary of Babcock International Group PLC. Consequently, the Company has taken advantage of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Babcock International Group PLC or other group undertakings and is included in the consolidated financial statements of Babcock International Group PLC which are publicly available.

The principle accounting policies, which have been applied consistently throughout the year, are set out below.

##### ***Cash flow statement***

The Company is a wholly-owned subsidiary of Babcock International Group PLC 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 a cash flow statement under the terms of FRS 1 (revised 1996).

#### **2. Profit and loss account**

Fees payable for the statutory audit of the financial statements have been borne by the Company's immediate parent undertaking Babcock Support Services Limited.

There have been no items of income or expenditure in either the current or prior year, as the Company has ceased trading. As such no separate profit and loss account has been prepared.

#### **3. Staff Costs**

No staff were employed by the Company during the current and prior year.

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**Babcock Partners No 2010 Limited****Notes to the financial statements (cont)****4. Directors' remuneration**

The emoluments of the directors, including pension contributions, are borne by another Babcock International Group company in their role as executives of those companies. No part of their emoluments could be attributed to their services in respect of Babcock Partners No 2010 (2013: nil).

**5. Debtors**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Due within one year:		
Amounts owed by group undertakings	<b>7,000</b>	<b>7,000</b>
	<b>7,000</b>	<b>7,000</b>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

**6. Called-up share capital**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
50,000 (2013: 50,000) ordinary shares of £1 each	<b>50</b>	<b>50</b>

**7. Reconciliation of movement in shareholders' funds and reserves**

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 April 2013	50	7,571	7,621
Result for the financial year	-	-	-
<b>At 31 March 2014</b>	<b>50</b>	<b>7,571</b>	<b>7,621</b>

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 April 2012	50	7,571	7,621
Result for the financial year	-	-	-
<b>At 31 March 2013</b>	<b>50</b>	<b>7,571</b>	<b>7,621</b>

**8. Contingent Liability**

At the year end the Company had guaranteed or had joint and several liabilities for drawn Babcock International Group PLC bank facilities of £620.8 million (2013: £658.6 million) provided to certain group companies. In addition, the Company at the year-end had joint and several liabilities for the drawn bank overdraft facilities of other group companies of £nil (2013: £nil).

**9. Ultimate parent undertaking**

The Company's immediate parent company is Babcock Support Services Limited, a Company registered in England and Wales. The Company's ultimate parent undertaking and 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