

Babcock Overseas Investments Limited

Annual Report

For the year ended 31 March 2019

Company registration number:

2669327



Babcock Overseas Investments Limited

Directors and advisors

Current directors

I Urquhart
F Martinelli
N Borrett

Company secretary

Babcock Corporate Secretaries Limited

Registered office

33 Wigmore Street
London
W1U 1QX

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Strategic report for the year ended 31 March 2019

The directors present their Strategic report on Babcock Overseas Investments Limited ("the company") for the year ended 31 March 2019.

Principal activities

The principal activities of the Company continue to be that of a Group finance company within the Group headed by Babcock International Group PLC.

Review of the business

	2019 £000	2018 £000
Foreign exchange (losses) / gains	(5,816)	15,287
Profit for the financial year	27,807	576,409

During the financial year the Company received £41,200,000 (2018: £568,303,000) in dividends from subsidiary undertakings.

Principal risks and uncertainties

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.

Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 70 to 81 of the Annual Report of Babcock International Group PLC, which does not form part of this report.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board



I Urquhart
Director

9 December 2019

Directors' report for the year ended 31 March 2019

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2019.

Dividends

Dividends declared and paid during the financial year were £41,200,000 (2018: £568,304,000). There are no plans for a final dividend.

Future developments

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

Going concern

The financial statements have been prepared on a going concern basis as Babcock International Group plc intends to support Babcock Overseas Investments Limited to ensure it can meet its obligations as they fall due. The Directors have received confirmation that Babcock International Group plc intends to support the Company for at least one year after the financial statements were approved.

Financial risk management

All treasury transactions are carried out only with prime rated counter-parties. Financial risk is managed in accordance with Group policies and procedures which are discussed on pages 35 to 37 and Note 2 of the Annual Report of Babcock International Group PLC, which does not form part of this report.

Directors

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

I Urquhart
F Martinelli
N Borrett

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and

Directors' report for the year ended 31 March 2019 (*continued*)

Statement of directors' responsibilities in respect of the financial statements (*continued*)

- 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 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 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is 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 that information.

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.

Reappointment of auditors

PricewaterhouseCoopers LLP were reappointed as auditors at the Annual General Meeting.

On behalf of the Board


I Urquhart
Director

9 December 2019

Independent auditors' report to the members of Babcock Overseas Investments Limited

Report on the audit of the financial statements

Opinion

In our opinion, Babcock Overseas Investments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 March 2019; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Babcock Overseas Investments Limited (*continued*)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Babcock Overseas Investments Limited

Independent auditors' report to the members of Babcock Overseas Investments Limited (*continued*)

Use of this report

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.

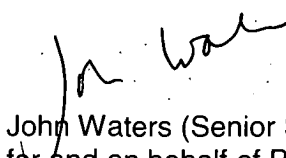
Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.


John Waters (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

10 December 2019

Babcock Overseas Investments Limited

Income statement

for the year ended 31 March 2019

	Note	2019 £000	2018 £000
Administrative (expenses) / income		<u>(5,818)</u>	15,269
Operating (loss) / profit	4	(5,818)	15,269
Income from shares in Group undertakings		<u>41,200</u>	568,303
Profit on ordinary activities before interest and taxation		35,382	583,572
Finance income	5	26,435	71,310
Finance costs	5	<u>(34,010)</u>	<u>(78,473)</u>
Profit on ordinary activities before income tax		27,807	576,409
Income tax expense	6	<u>-</u>	-
Profit for the financial year		27,807	576,409

All of the above results derive from continuing operations.

Statement of comprehensive income

for the year ended 31 March 2019

	2019 £000	2018 £000
Profit for the financial year	<u>27,807</u>	576,409
Total comprehensive income for the year	27,807	576,409

Babcock Overseas Investments Limited

Balance sheet

as at 31 March 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	7	2,092,497	2,092,497
Trade and other receivables – amounts falling due after more than one year	8	76,737	51,831
		<u>2,169,234</u>	<u>2,144,328</u>
Current assets			
Trade and other receivables – amounts falling due within one year	8	409,328	392,700
Current liabilities			
Creditors – amounts falling due within one year	9	(797,286)	(773,167)
Bank overdraft		(306)	(205)
		<u>(797,592)</u>	<u>(773,372)</u>
Net current liabilities		<u>(388,264)</u>	<u>(380,672)</u>
Total assets less current liabilities		1,780,970	1,763,656
Creditors – amounts falling due after more than one year	9	(156,449)	(125,742)
Net assets		<u>1,624,521</u>	<u>1,637,914</u>
Equity			
Called up share capital	10	3,260	3,260
Share premium account		724,432	724,432
Retained earnings		896,829	910,222
Total shareholders' funds		<u>1,624,521</u>	<u>1,637,914</u>

The notes on pages 11 to 22 are an integral part of these financial statements.

The financial statements on pages 8 to 22 were approved by the Board of directors and signed on its behalf by:



I Urquhart
Director

9 December 2019

Statement of changes in equity
for the year ended 31 March 2019

	Called up share capital £000	Share premium account £000	Retained earnings £000	Total shareholders' funds £000
Balance at 1 April 2017	3,260	724,432	902,117	1,629,809
Profit for the financial year	-	-	576,409	576,409
Dividends paid	-	-	(568,304)	(568,304)
Balance at 31 March 2018	3,260	724,432	910,222	1,637,914
Profit for the financial year	-	-	27,807	27,807
Dividends paid	-	-	(41,200)	(41,200)
Balance at 31 March 2019	3,260	724,432	896,829	1,624,521

Notes to the financial statements

1 General information

Babcock Overseas Investments 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

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit and loss in accordance with the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £000.

The Company is a wholly-owned subsidiary of Babcock 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 following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- a) Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share based payments'
- b) IFRS 7, 'Financial instruments: Disclosures'
- c) 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)
- d) 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;
 - paragraph 73(e) of IAS 16 Property, plant and equipment; and
 - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- e) The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), 10(f), 16, 38, 40, 111, and 134-136
- f) IAS 7, 'Statement of cash flows'
- g) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- h) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation
- i) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Notes to the financial statements *(continued)***2 Summary of significant accounting policies** *(continued)***Basis of preparation** *(continued)*

The financial statements have been prepared on a going concern basis as Babcock International Group plc intends to support Babcock Overseas Investments Limited to ensure it can meet its obligations as they fall due. The Directors have received confirmation that Babcock International Group plc intends to support the Company for at least one year after the financial statements were authorised.

Investments

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

Trade receivables

Trade receivables are stated at their cost less provision for bad debts. A provision for bad debt is established when there is objective evidence that the collection of the debt is no longer probable.

Trade 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**(a) 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.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred income tax is determined using tax rates (and laws) that have been enacted, or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in either other comprehensive income or in equity.

3 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Notes to the financial statements (continued)**3 Critical accounting estimates and judgements (continued)**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4 Operating (loss) / profit

Operating (loss) / profit is stated after (charging) / crediting:

	2019	2018
	£000	£000
Foreign exchange (losses) / gains	(5,816)	15,287
Amortisation	(6)	(8)
Legal and professional fees	-	(10)

The fee payable to the auditors in respect of the audit of the Company's financial statements was £2,094 (2018: £2,033) and was borne by Babcock International Limited. There were no staff employed by the Company during the current or prior year. All Directors emoluments are paid by Babcock International Limited and amounts for services to the Company are immaterial.

5 Finance income and costs

	2019	2018
	£000	£000
Finance income:		
Fair value changes of derivative financial instruments	24,907	70,035
Loan interest receivable from Group undertakings	1,528	1,275
	26,435	71,310
Finance costs:		
Fair value changes of derivative financial instruments	(24,907)	(70,035)
Loan interest payable to Group undertakings	(9,103)	(8,438)
	(34,010)	(78,473)

6 Income tax expense

Tax expense for the year is lower (2018: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2019 of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£000	£000
Profit on ordinary activities before taxation	27,807	576,409
Profit on ordinary activities before taxation multiplied by standard UK corporation tax rate of 19% (2018: 19%)	5,283	109,518
Effects of:		
Income not subject to UK taxation	(7,828)	(107,978)
Group relief for nil consideration	2,545	(1,540)
Total tax charge for the year	-	-

Notes to the financial statements (continued)**6 Income tax expense (continued)**

In the UK 2015 Budget it was announced that the UK corporation tax rate will reduce to 19% for April 2018. It was announced in the 2016 UK Budget that it will be further reduced to 18% from April 2020. It was subsequently announced in 2018 UK Budget that it will be reduced to 17% from April 2020. As a result of this change, UK deferred tax balances have been remeasured at 17% as this is the tax rate that will apply on reversal.

7 Investments

	2019	2018
	£000	£000
Shares in group undertakings		
Cost		
At 1 April and 31 March	2,512,485	2,512,485
Provisions for impairment		
At 1 April and 31 March	(419,988)	(419,988)
Net book value		
At 1 April and 31 March	2,092,497	2,092,497

The directors believe that the carrying value of the investments is supported by their underlying net assets. Dividends of £41,200,000 were received for the year ended 31 March 2019 (2018: £568,303,000).

Full lists of related undertakings for the Company have been disclosed in note 12.

8 Trade and other receivables

	2019	2018
	£000	£000
Amounts falling due within one year:		
Amounts due from Group undertakings	409,249	392,681
Other receivables	79	19
	409,328	392,700

Amounts due from Group undertakings within one year are unsecured, repayable on demand and:

- £78,253,000 (2018: £78,253,000) bearing interest at UK LIBOR plus 1%;
- £3,715,000 (2018: £3,715,000) bearing interest at UK LIBOR plus 4%;
- The remaining £312,452,000 (2018: £310,713,000) is non-interest bearing.

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

8 Trade and other receivables (continued)

	2019 £000	2018 £000
Amounts falling due after more than one year:		
Accrued income	2,589	2,590
Derivative financial instruments	74,148	49,241
	76,737	51,831

These derivatives are fair valued based on discounted future cash flows (fair value hierarchy, level 2) with gains and losses passing through the profit and loss account as hedge accounting is not available.

Amounts recorded in the profit and loss account are shown below:

	2019 £000	2018 £000
Finance income	24,907	70,035
Finance costs	(24,907)	(70,035)
Profit / (loss) in profit and loss	-	-

The notional principal amount of outstanding interest rate swap contracts at 31 March 2019 included interest rate swaps in relation to the US\$500 million US\$ to GBP cross currency (31 March 2018: US\$500 million).

The Company held the following interest rate derivatives at 31 March 2018 and 2019:

Cross currency and interest rate swap	Amount		Amount at swapped rates		Maturity
	US\$000	£000	£000	US\$000	
Fixed 5.64% US\$ to fixed 5.95% GBP	200,000		122,900		17/3/2021
Fixed 5.64% US\$ to floating 3 month LIBOR +margin GBP	300,000		184,300		17/3/2021
Fixed 5.95% GBP to fixed 5.64% US\$		122,900		200,000	17/3/2021
Floating 3 month LIBOR +margin GBP to fixed 5.64% US\$		184,300		300,000	17/3/2021
Total	500,000	307,200	307,200	500,000	

Notes to the financial statements (continued)

8 Trade and other receivables (continued)

Included in derivative financial instruments:

	2019		2018	
	Assets	Liabilities	Assets	Liabilities
	£000	£000	£000	£000
Non- current cross-currency interest rate swaps	74,148	74,148	49,241	49,241

9 Creditors

	2019	2018
	£000	£000
Amounts falling due within one year:		
Amounts due to Group undertakings	797,137	773,018
UK corporation tax payable	149	149
	797,286	773,167

Amounts due to Group undertakings within one year are repayable on demand and:

- £59,000,000 (2018: £5,000,000) bearing an interest rate of six month UK LIBOR plus 1%;
- £163,863,000 (2018: £163,863,000) bearing interest at six month UK LIBOR plus 4%;
- £nil (2018: £69,000,000) bearing interest 0.1%; and
- The remaining £574,274 (2018: £535,304,000) is non-interest bearing.

	2019	2018
	£000	£000
Amounts falling due after more than one year:		
Amounts due to Group undertakings	81,593	75,794
Derivative financial instruments	74,148	49,241
Other payables	708	707
	156,449	125,742

Amounts due to group undertakings after more than one year are non-interest bearing.

10 Called up share capital

	2019	2018
	£000	£000
Allotted, called up and fully paid		
3,260,578 ordinary shares of £1 each (2018: 3,260,578)	3,260	3,260

11 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.

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

12 Related undertakings

<u>Name</u>	<u>Address</u>	<u>Holding %</u>
Advanced Jet Training Holdings Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
Advanced Jet Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
Air Power International Limited	C/O DWF LLP , 110 Queen Street , Glasgow , Scotland, G1 3HD, United Kingdom	100.00%
AirTanker Finance Limited	6th Floor, One London Wall, London, EC2Y 5EB, United Kingdom	13.33%
AirTanker Holdings Limited	6th Floor, One London Wall, London, EC2Y 5EB, United Kingdom	13.33%
AirTanker Limited	6th Floor, London Wall, London, EC2Y 5EB, United Kingdom	13.33%
AirTanker Services Limited	Airtanker Hub RAF Brize Norton, Carterton, Oxfordshire, England, OX18 3LX, United Kingdom	22.33%
Airwork Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Airwork Technical Services & Partners LLC	PO Box 248 (located at Muaskar Al Murtafa'a (MAM) Garrison), Muscat, 100, Sultanate of Oman	51.00%
ALC (FMC) Limited	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ, United Kingdom	50.00%
ALC (Holdco) Limited	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ, United Kingdom	50.00%
ALC (SPC) Limited	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ, United Kingdom	50.00%
ALC (Superholdco) Limited	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ, United Kingdom	50.00%
Armstrong Technology Associates Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Ascent Flight Training (Holdings) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
Ascent Flight Training (Management) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
Ascent Flight Training (Services) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
AUH-Bidco Pty Limited	Level 9, 70 Franklin Street , Adelaide SA 5000, Australia	100.00%
Babcock (NZ) Limited	C/O Babcock Central Office, HMNZ Dockyard, Devonport Naval Base, Queens Parade, Devonport, Auckland, 0744, New Zealand	100.00%
Babcock Aerospace Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Airports Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Assessments Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

12 Related undertakings (continued)

Babcock Australia Holdings Pty Ltd*	Level 9, 70 Franklin Street , Adelaide SA 5000, Australia	100.00%
Babcock B.V.	Bezuidenhoutseweg 1, 2594 AB The Hague, The Netherlands	100.00%
Babcock Careers Guidance Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
Babcock Civil Infrastructure Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Corporate Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Critical Assets Holdings LLP	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Critical Services Limited	C/O DWF LLP , 110 Queen Street , Glasgow , Scotland, G1 3HD, United Kingdom	100.00%
Babcock Defence & Security Holdings LLP	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Defence and Security Investments Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Defence Systems Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock DSG Ltd	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Dyncorp Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	56.00%
Babcock Education & Training Holdings LLP	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
Babcock Education and Skills Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Education Holdings Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
Babcock Emergency Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Engineering Assessments Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Engineering Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Environmental Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Finance Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Fire Services (SW) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Fire Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Fire Training (Avonmouth) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Group (US Investments) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Group International Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Holdings (USA) Incorporated	Prentice Hall Corporation Systems Inc., S32 Loockerman Square, Ste. L-100 Dover Delaware, United States	100.00%
Babcock Infrastructure Holdings LLP	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

12 Related undertakings (continued)

Babcock Integration LLP	33 Wigmore Street, London, W1U 1QX, United Kingdom	8.92%
Babcock International Middle East Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock International Support Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock International US Inc	21001 Great Mills Road, Lexington Park, Maryland DE 20653, United States	100.00%
Babcock Investments (Fire Services) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Investments (Number Eight) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	0.00%
Babcock IP Management (Number One) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	8.92%
Babcock IP Management (Number Two) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	8.92%
Babcock Land Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Learning and Development Partnership LLP	33 Wigmore Street, London, W1U 1QX, United Kingdom	5.61%
Babcock Leaseco Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Lifeskills Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Malta Limited	44 Esplanade, St Helier, Jersey, JE4 9WG, Jersey	100.00%
Babcock Marine Products Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Marine Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Mission Critical Services Australasia Pty Ltd	Level 9, 70 Franklin Street , Adelaide SA 5000, Australia	100.00%
Babcock Offshore Services Australasia Pty Ltd	Level 9, 70 Franklin Street , Adelaide SA 5000, Australia	100.00%
Babcock Oman LLC	P.O. Box 2315, Ghala, Muscat, 130, Oman	99.00%
Babcock Partner No 6 Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Partner No 7 Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Partners No 2010 Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Project Investments Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Project Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Pty Ltd	Level 9, 70 Franklin Street , Adelaide SA 5000, Australia	100.00%
Babcock Skills Development and Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
Babcock Southern Careers Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Southern Holdings Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Support Services (USA) LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	100.00%
Babcock Support Services GmbH	Berliner Platz 12, 41061, Moenchengladbach, Germany	100.00%

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

12 Related undertakings (continued)

Babcock Support Services Limited	C/O DWF LLP , 110 Queen Street , Glasgow , Scotland, G1 3HD, United Kingdom	100.00%
Babcock Technical Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
Babcock Trustees Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock US Investments (Number Two) LLC	c/o National Registered Agents, Inc, 160 Greentree Drive, Suite 101, Dover DE 19904, United States	100.00%
Babcock US Investments Inc.	c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, , Dover, Kent County DE 19904, United States	100.00%
Babcock US Investments Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Vehicle Engineering Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock2 Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Capital Careers Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	6.18%
Chart Distribution Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Chart Storage & Transportation Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Chepstow Insurance Limited	St Martin's House, Le Bordage, St Peter Port, GY1 4AU	100.00%
Cura Classis (Canada) Inc.	c/o Stewart McKelvey, 44 Chipman Hill, Suite 1000, PO Box 7289, Stn. "A", Saint John, N.B. NB E2L 2A9 , Canada	48.00%
Cura Classis (UK) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	48.00%
Cura Classis (US) Hold Co LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	48.00%
Cura Classis (US) LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	48.00%
Cura Classis Canada (Hold Co) Inc.	c/o Stewart McKelvey, 44 Chipman Hill, Suite 1000, PO Box 7289, Stn. "A", Saint John, N.B. NB E2L 2A9, Canada	48.00%
Cura Classis UK (Hold Co) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	48.00%
Debut Services (Contracts) Ltd	142 Northolt Road, Harrow, Middlesex, HA2 0EE, United Kingdom	9.09%
Debut Services (South West) Limited	c/o Bovis Lend Lease Limited, 20 Triton Street, Regent's Place, London, England, NW1 3BF	50.00%
Debut Services Limited	c/o Bovis Lend Lease Limited, 20 Triton Street, Regent's Place, London, England, NW1 3BF	15.00%
Devonport Management Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Duqm Naval Dockyard SAOC	Wadi Say, Al-Duqm, Al-Wusta'a, 3972 112, Oman	0.99%
Fixed Wing Training Holdings Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
Fixed Wing Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
Flagship Fire Fighting Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

12 Related undertakings (continued)

Gibraltar Investments (No. 7) Limited*	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
HCTC Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
Holdfast Training Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	74.00%
INAER Helicopter Australia Pty Ltd	Level 9, 70 Franklin Street , Adelaide SA 5000, Australia	100.00%
KML (UK) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
Learning21 Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Marine Industrial Design Limited	C/O Babcock Central Office, HMNZ Dockyard, Devonport Naval Base, Queens Parade, Devonport, Auckland, 0744, New Zealand	100.00%
Municipal Vehicle Hire Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
National Training Institute LLC	PO Box 267, MadinatQaboos, Sultanate of Oman, 115, Oman	4.90%
Naval Ship Management (Australia) Pty Ltd	Level 10, 40 Miller Street, North Sydney NSW 2060, Australia	50.00%
Peterhouse GmbH	Berliner Platz 12, 41061, Moenchengladbach, Germany	100.00%
PHG Insurance Limited*	St Martin's House, Le Bordage, St Peter Port, GY1 4AU, Guernsey	100.00%
Rear Crew Training Holdings Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
Rear Crew Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
Rotary Wing Training Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	50.00%
Skills2Learn Ltd	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
Surrey Careers Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	94.11%
Touchstone Learning & Skills Ltd	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
Transfleet Distribution Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Transfleet Truck Rentals Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Vosper Thornycroft (UK) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Vosper-ManTech Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
VT Insurance Services Limited	St Martins House, Le Bordage, St Peter Port, Guernsey	100.00%
Westminster Education Consultants Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%

*Directly owned by Babcock Overseas Investments Limited.

Notes to the financial statements *(continued)*

13 Contingent liabilities

At the year-end date the Company had guaranteed or had joint and several liability for drawn Babcock International Group PLC bank facilities of £nil (2018: £nil) provided to certain Group companies. In addition, the Company had joint and several liabilities for the drawn bank overdraft facilities of other Group companies of £nil (2018: £nil).

14 Immediate and ultimate parent undertakings

The Company's immediate parent company is Babcock Holdings 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