

Babcock Overseas Investments Limited

Annual Report

For the year ended 31 March 2020

Company registration number:

2669327



Babcock Overseas Investments Limited

Directors and advisors

Current directors

I Urquhart
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

Babcock Overseas Investments Limited

Strategic report for the year ended 31 March 2020

The directors present their Strategic report on Babcock Overseas Investments Limited ("the company") for the year ended 31 March 2020.

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

	2020 £000	2019 £000
(Loss) / Profit for the financial year	(64,741)	27,807
Foreign exchange loss	(14,523)	(5,816)
Income from shares in group undertakings	9,632	41,200
Impairment of investments	(21,851)	-

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 date 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 and including the expected impact of COVID-19 is provided on pages 80 to 92 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.

S172(1) statement and stakeholder engagement

The Directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the Company for the benefit of the Shareholders as a whole while having regard for all stakeholders. Stakeholder engagement is managed in accordance with Group policies and procedures which are discussed on pages 30 and 31 of the annual report of Babcock International Group PLC, which does not form part of this report.

On behalf of the Board

I Urquhart
Director

23 December 2020

Babcock Overseas Investments Limited

Directors' report for the year ended 31 March 2020

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2020.

Dividends

Dividends declared and paid during the financial year were £nil (2019: £41,200,000). There are no plans for a final dividend.

Future developments

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

Going concern

Despite the Company being in a net current liability position, the financial statements have been prepared on a going concern basis as Babcock (UK) Holdings Limited, an intermediate parent company, intends to support the Company to ensure it can meet its obligations as they fall due. The Directors have received written confirmation that Babcock (UK) Holdings Limited intends to support the Company for at least one year from the date the financial statements were authorised.

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 65 to 67 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 (resigned 30 November 2020)
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 2020 (*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 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.

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.

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.

Statement of 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.

Reappointment of auditors

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

On behalf of the Board



I Urquhart
Director

23 December 2020

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 2020 and of its loss 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 2020; 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- 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.

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.

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.

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 2020 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 in respect of the financial statements, 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.

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.

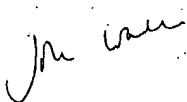
Other required reporting

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
23 December 2020

Babcock Overseas Investments Limited

Income statement

for the year ended 31 March 2020

	Note	2020 £000	2019 £000
Administrative expenses		(44,840)	(5,818)
Operating loss	4	(44,840)	(5,818)
Income from shares in group undertakings	7	9,632	41,200
Impairment of investments	7	(21,851)	-
(Loss) / Profit before interest and taxation		(57,059)	35,382
Finance income	5	32,019	26,435
Finance costs	5	(39,701)	(34,010)
(Loss) / Profit before income tax		(64,741)	27,807
Income tax expense	6	-	-
(Loss) / Profit for the financial year		(64,741)	27,807

All of the above results derive from continuing operations.

Statement of comprehensive income

for the year ended 31 March 2020

	2020 £000	2019 £000
(Loss) / Profit for the financial year	(64,741)	27,807
Total comprehensive (expense) / income for the year	(64,741)	27,807

Babcock Overseas Investments Limited

Balance sheet

as at 31 March 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	7	2,070,646	2,092,497
Trade and other receivables – amounts falling due after more than one year	8	92,809	76,737
		<u>2,163,455</u>	<u>2,169,234</u>
Current assets			
Trade and other receivables – amounts falling due within one year	8	494,299	409,328
Current liabilities			
Creditors – amounts falling due within one year	9	(917,665)	(797,286)
Bank loans and overdrafts		(378)	(306)
		<u>(918,043)</u>	<u>(797,592)</u>
Net current liabilities		<u>(423,744)</u>	<u>(388,264)</u>
Total assets less current liabilities		1,739,711	1,780,970
Creditors – amounts falling due after more than one year	9	(85,621)	(156,449)
Net assets		<u>1,654,090</u>	<u>1,624,521</u>
Equity			
Called up share capital	10	3,261	3,260
Share premium account		818,741	724,432
Retained earnings		832,088	896,829
Total shareholder's funds		<u>1,654,090</u>	<u>1,624,521</u>

The notes on pages 10 to 21 are an integral part of these financial statements.

The financial statements on pages 7 to 21 were approved by the Board of directors and signed on its behalf by:


I Urquhart
Director
23 December 2020

Babcock Overseas Investments Limited**Statement of changes in equity**
for the year ended 31 March 2020

	Called up share capital £000	Share premium account £000	Retained earnings £000	Total Shareholder's funds £000
Balance at 1 April 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
Loss for the financial year	-	-	(64,741)	(64,741)
Issue of ordinary shares	1	94,309	-	94,310
Balance at 31 March 2020	3,261	818,741	832,088	1,654,090

Babcock Overseas Investments Limited

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

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, 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 financial statements have been prepared on a going concern basis as Babcock (UK) Holdings Limited, an intermediate parent company, intends to support the Company to ensure it can meet its obligations as they fall due. The directors have received written confirmation that Babcock (UK) Holdings Limited intends to support the Company for at least one year from the date the financial statements were authorised.

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'

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies *(continued)*

Basis of preparation *(continued)*

- 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.

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.

Cross currency and interest rate swaps

Derivatives are initially recognised at fair value on the date a derivative is entered into and are subsequently remeasured at their fair value. Any movement in their fair values is recognised in the income statement immediately.

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

3 Critical accounting estimates and judgements (continued)

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. No critical accounting estimates have been identified.

4 Operating loss

Operating loss is stated after charging:

	2020 £000	2019 £000
Foreign exchange loss on amounts due to / from Group undertakings	(14,523)	(5,816)
Amortisation	(6)	(6)

Write off of loans receivable from group undertakings during the process of liquidation of:

Scimco Limited	(30,532)	-
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The fee payable to the auditors in respect of the audit of the Company's financial statements was £2,200 (2019: £2,094) 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

	2020 £000	2019 £000
Finance income:		
Fair value changes of derivative financial instruments	30,538	24,907
Loan interest receivable from Group undertakings	1,479	1,528
Bank interest	2	-
	32,019	26,435
Finance costs:		
Fair value changes of derivative financial instruments	(30,538)	(24,907)
Loan interest payable to Group undertakings	(9,163)	(9,103)
	(39,701)	(34,010)

Babcock Overseas Investments Limited

Notes to the financial statements *(continued)*

6 Income tax expense

Tax expense for the year is higher (2019: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2020 of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
(Loss)/Profit before taxation	(64,741)	27,807
(Loss)/Profit before taxation multiplied by standard UK corporation tax rate of 19% (2019: 19%)	(12,301)	5,283
Effects of:		
Expenses not deductible for / (Income not subject to) tax	2,312	(7,828)
Group relief for nil consideration	9,989	2,545
Total tax charge for the year	-	-

In the UK 2020 Budget it was announced that the UK corporation tax rate would not reduce to 17% but would remain at 19% from April 2020. As a result of this change, UK deferred tax balances have been re-measured at 19% as this is the tax rate that will apply on reversal.

7 Investments

	2020 £000	2019 £000
Shares in group undertakings		
Cost		
At 1 April and 31 March	2,512,485	2,512,485
Provisions for impairment		
At 1 April	(419,988)	(419,988)
Impairment of investments	(21,851)	-
At 31 March	(441,839)	(419,988)
Carrying value		
At 31 March	2,070,646	2,092,497

Dividends of £9,632,000 were received from Babcock (NZ) Limited (2019: £41,200,000 Babcock Southern Holdings Limited).

The investment in Babcock Australia Holdings Pty Ltd was impaired by £21,851,000 (2019: £nil) as the carrying amount of the investment exceeded the investee's net assets.

The directors are satisfied that the carrying value of the investments is supported by their underlying net assets.

A full list of related undertakings for the Company have been disclosed in note 12.

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

8 Trade and other receivables

	2020 £000	2019 £000
Amounts falling due within one year:		
Amounts due from Group undertakings	389,613	409,249
Derivative financial instruments	104,686	-
Other receivables	-	79
	494,299	409,328

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

- £51,353,000 (2019: £78,253,000) bearing interest at UK LIBOR plus 1%;
- £3,715,000 (2019: £3,715,000) bearing interest at UK LIBOR plus 4%;
- The remaining £334,545,000 (2019: £312,452,000) is non-interest bearing.

	2020 £000	2019 £000
Amounts falling due after more than one year:		
Accrued income	2,583	2,589
Derivative financial instruments	-	74,148
Preference shares	90,226	-
	92,809	76,737

Preference shares of £90,226,000 (€101,585,000) (2019: £nil) mature on 31 January 2024 and bear interest at EURIBOR +3%.

The 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.

The notional principal amount of outstanding interest rate swap contracts at 31 March 2020 included interest rate swaps in relation to the US\$500 million US\$ to GBP cross currency (31 March 2019: US\$500 million).

Included in derivative financial instruments:

	2020		2019	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Cross-currency interest rate swaps	104,686	104,686	74,148	74,148

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

8 Trade and other receivables (continued)

The Company held the following derivatives at 31 March 2019 and 2020:

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	

The impact of the derivative in the income statement has been disclosed in note 5.

The Company has taken advantage of the exemptions within FRS 101 not to disclose all IFRS 7 and IFRS 13 requirements, 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 with compliance to IFRS.

9 Creditors

	2020 £000	2019 £000
Amounts falling due within one year:		
Amounts due to Group undertakings	812,830	797,137
Derivative financial instruments	104,686	-
UK corporation tax payable	149	149
	917,665	797,286

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

- £59,000,000 (2019: £59,000,000) bearing an interest rate of six month UK LIBOR plus 1%;
- £163,863,000 (2019: £163,863,000) bearing interest at six month UK LIBOR plus 4%;
- The remaining £589,967,000 (2019: £574,274,000) is non-interest bearing.

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

9 Creditors (continued)

	2020 £000	2019 £000
Amounts falling due after more than one year:		
Amounts due to Group undertakings	85,621	81,593
Derivative financial instruments	-	74,148
Other payables	-	708
	85,621	156,449

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

10 Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
3,261,578 ordinary shares of £1 each (2019: 3,260,578)	3,261	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.

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%
AirTanker Finance Limited	Airtanker Hub RAF Brize Norton, Carterton, Oxfordshire, England, OX18 3LX, United Kingdom	13.33%
AirTanker Holdings Limited	Airtanker Hub RAF Brize Norton, Carterton, Oxfordshire, England, OX18 3LX, United Kingdom	13.33%
AirTanker Limited	Airtanker Hub RAF Brize Norton, Carterton, Oxfordshire, England, OX18 3LX, 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 (Muaskar Al Murtafa'a (MAM) Garrison), Muscat, 100, Sultanate of Oman	51.00%
ALC (FMC) Limited	3rd Floor, Chancery Exchange, 10 Furnival Street, London, England, EC4A 1AB, United Kingdom	50.00%

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

12 Related undertakings (continued)

<u>Name</u>	<u>Address</u>	<u>Holding %</u>
ALC (Holdco) Limited	3rd Floor, Chancery Exchange, 10 Furnival Street, London, England, EC4A 1AB, United Kingdom	50.00%
ALC (SPC) Limited	3rd Floor, Chancery Exchange, 10 Furnival Street, London, England, EC4A 1AB, United Kingdom	50.00%
ALC (Superholdco) Limited	3rd Floor, Chancery Exchange, 10 Furnival Street, London, England, EC4A 1AB, 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%
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 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	1 New Street Square, London, EC4A 3HQ, United Kingdom	2.33%
Babcock Careers Management Limited	1 New Street Square, London, EC4A 3HQ, United Kingdom	100.00%
Babcock Civil Infrastructure Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Contractors 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 DS 2019 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 Overseas Investments Limited

Notes to the financial statements (continued)

12 Related undertakings (continued)

<u>Name</u>	<u>Address</u>	<u>Holding %</u>
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 Engineering Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Environmental Services Limited	1 New Street Square, London, EC4A 3HQ, 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 Lookerman 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 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	National Registered Agents, Inc., 1209 Orange Street, Wilmington DE 19801, United States	100.00%
Babcock Investments (Fire Services) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
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	1 New Street Square, London, EC4A 3HQ, United Kingdom	100.00%
Babcock Malta Limited	44 Esplanade, St Helier, JE4 9WG, Jersey	100.00%
Babcock Management 2019 Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Marine Products 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)

<u>Name</u>	<u>Address</u>	<u>Holding %</u>
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 Project Investments 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 GmbH	Am Zoppenberg 23, 41366 Schwalmtal, Germany	100.00%
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 US Investments (Number Two) LLC	National Registered Agents, Inc, 1209 Orange Street, Wilmington DE 19801, United States	100.00%
Babcock US Investments Inc.	National Registered Agents, Inc., 1209 Orange Street, Wilmington DE 19801, 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%
Capital Careers Limited	1 New Street Square, London, EC4A 3HQ, United Kingdom	2.06%
Chart Distribution Services Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Chart Services Limited	C/O DWF LLP, 110 Queen Street, Glasgow, Scotland, G1 3HD, 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, Guernsey	100.00%
Cura Classis (UK) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	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%

Babcock Overseas Investments Limited

Notes to the financial statements (continued)

12 Related undertakings (continued)

<u>Name</u>	<u>Address</u>	<u>Holding %</u>
Debut Services Limited	c/o Bovis Lend Lease Limited, 20 Triton Street, Regent's Place, London, England, NW1 3BF	15.00%
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%
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%
iMAST Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
KML (UK) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	7.00%
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	Am Zoppenberg 23, 41366 Schwalmtal, Germany	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	1 New Street Square, London, EC4A 3HQ, United Kingdom	88.56%
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%
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 joint and several liabilities for the drawn bank overdraft facilities of other Group companies of £nil (2019: £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