

Babcock Holdings Limited

Annual report

For the year ended 31 March 2017

Company registration number:

02955502



Babcock Holdings 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

Babcock Holdings Limited

Strategic report for the year ended 31 March 2017

The directors present their Strategic report on the Company for the year ended 31 March 2017.

Principal activities

The principal activity of the Company continues to be that of a holding company. The directors do not anticipate any change in the nature of the Company's activities during the financial year.

Review of the business

	2017 £000	2016 £000
Profit for the financial year	108,030	227,994

During the financial year the Company received £170,313,000 (2016: £296,500,000) in dividends from subsidiary undertakings.

Principal risks and uncertainties

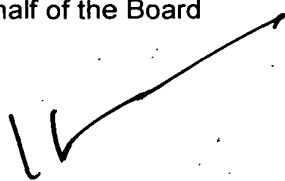
The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. These are managed through the operational review process supplemented at Group level by independent challenge and review by the Group Risk Manager and the Audit and Risk Committee.

Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 68 to 79 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

21 December 2017

Babcock Holdings Limited

Directors' report for the year ended 31 March 2017

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2017.

Dividends

Dividends declared and paid during the financial year were £170,313,000 (2016: £82,500,000). 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 (UK) Holdings Limited, immediate parent company, intends to support Babcock Holdings Limited to ensure it can meet its obligations as they fall due. The Directors have received confirmation that Babcock (UK) Holdings Limited 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 33 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 (appointed 31 August 2016)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

Babcock Holdings Limited

Directors' report for the year ended 31 March 2017 (continued)

Statement of directors' responsibilities (continued)

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, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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.

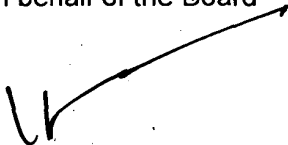
Statement of disclosure of information to auditors

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

21 December 2017

Babcock Holdings Limited

Independent auditors' report to the members of Babcock Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Babcock Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 31 March 2017;
- the Income statement and the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; 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), including FRS 101 "Reduced Disclosure Framework".

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in this respect.

Babcock Holdings Limited

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

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.

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 on pages 3 & 4, 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 International Standards on Auditing (UK and Ireland) ("ISAs (UK and 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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

Babcock Holdings Limited

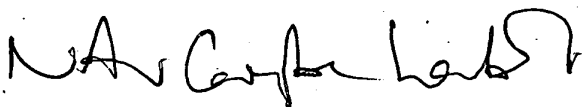
Independent auditors' report to the members of Babcock Holdings Limited (continued)

What an audit of financial statements involves (continued)

We primarily focus our work in these areas by assessing the directors' judgments against available evidence, forming our own judgments, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic report and Directors' report, we consider whether these reports include disclosures required by applicable legal requirements.



Nicholas Campbell-Lambert (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

21 December 2017

Babcock Holdings Limited**Income statement***for the year ended 31 March 2017*

	Note	2017 £000	2016 £000
Administrative expenses		(99,614)	(45,748)
Other operating income		<u>30,930</u>	<u>29,037</u>
Operating loss	4	(68,684)	(16,711)
Income from shares in group undertakings		<u>170,313</u>	<u>296,500</u>
Profit on Ordinary activities before interest and taxation		101,629	279,789
Finance income	5	94,344	43,473
Finance costs	5	<u>(90,083)</u>	<u>(94,638)</u>
Profit on Ordinary activities before income tax		105,890	228,624
Income tax credit / (expense)	8	<u>2,140</u>	<u>(630)</u>
Profit for the financial year		<u>108,030</u>	<u>227,994</u>

All of the above results derive from continuing operations.

Statement of comprehensive income
for the year ended 31 March 2017

	2017 £000	2016 £000
Profit for the financial year	108,030	227,994
Total comprehensive income for the year	<u>108,030</u>	<u>227,994</u>

Babcock Holdings Limited

Balance sheet as at 31 March 2017

	Note	2017 £000	Restated Note 20 2016 £000
Non-current assets			
Investments	9	6,888,198	6,428,759
Trade and other receivables— amounts falling due after more than one year	10	117,626	109,028
		7,005,824	6,537,787
Current assets			
Cash and cash equivalents		2,367	680
Trade and other receivables— amounts falling due within one year	10	1,040,989	931,499
		1,043,356	932,179
Current liabilities			
Trade and other payables – amounts falling due within one year	11	(3,498,034)	(2,812,723)
Net current liabilities		(2,454,678)	(1,880,544)
Total assets less current liabilities		4,551,146	4,657,243
Trade and other payables – amounts falling due after more than one year	11	(684,294)	(728,108)
Net assets		3,866,852	3,929,135
Equity			
Called up share capital	13	34,574	34,574
Share premium account		1,850,509	1,850,509
Retained earnings		1,981,769	2,044,052
Total shareholders' funds		3,866,852	3,929,135

The notes on pages 11 to 40 are an integral part of these financial statements.

The financial statements on pages 8 to 10 were approved by the Board of directors and signed on its behalf by:


I Urquhart
Director

21 December 2017

Registered number 02955502

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Babcock Holdings Limited**Statement of changes in equity**
for the year ended 31 March 2017

	Called up share capital £000	Share premium account £000	Retained earnings £000	Total shareholders' funds £000
Balance at 1 April 2015	34,574	1,850,509	1,898,558	3,783,641
Profit for the financial year	-	-	227,994	227,994
Dividends paid	-	-	(82,500)	(82,500)
Balance at 31 March 2016	34,574	1,850,509	2,044,052	3,929,135
Profit for the financial year	-	-	108,030	108,030
Dividends paid	-	-	(170,313)	(170,313)
Balance at 31 March 2017	34,574	1,850,509	1,981,769	3,866,852

Babcock Holdings Limited

Notes to the financial statements

1 General information

Babcock Holdings 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 Company is a wholly-owned subsidiary 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.

Babcock Holdings Limited

Notes to the financial statements (continued)

Summary of significant accounting policies (continued)

Basis of preparation (continued)

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

The Company has restated its balance sheet for the year ended 31 March 2016 in order to reclassify preference shares receivable from Investments into Trade and other receivables. Refer to note 19 for further details.

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.

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Notes to the financial statements (continued)

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.

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

Operating loss is stated after charging / (crediting):

	2017 £000	2016 £000
Auditors' remuneration		
- audit fees	2	-
Operating lease rentals		
- land and buildings	1,296	818
Staff costs (note 6)	17,994	18,712
Foreign exchange gain	(67,559)	(14,379)
Management fees	(30,624)	(29,037)

5 Finance income and costs

	2017 £000	2016 £000
Finance income:		
Bank interest	1	4
Interest receivable from group undertakings	34,524	22,603
Fair value gain on derivative financial instruments	59,819	20,866
	<u>94,344</u>	<u>43,473</u>
Finance costs:		
Loan interest payable to group undertakings	(90,083)	(94,637)
Bank interest	-	(1)
	<u>(90,083)</u>	<u>(94,638)</u>

6 Staff costs

The average monthly number of employees (including directors) was:

	2017 £000	2016 £000
Administration	89	94

Babcock Holdings Limited

Notes to the financial statements (continued)

6 Staff costs (continued)

Their aggregate remuneration comprised:

	2017 £000	2016 £000
Wages and salaries	12,732	12,715
Social security costs	1,026	1,220
Other pension costs	761	867
Share-based payments	3,475	3,909
	17,994	18,712

7 Directors' remuneration

The remuneration of the directors which was paid by the Company was as follows:

	2017 £000	2016 £000
Aggregate remuneration	1,875	2,116
Pension contributions	44	-

The above amounts do not include any gains made on the exercise of share options or the value of any shares or share options received under long-term incentive schemes. Four directors exercised share options in the year (2016: 3). Shares were received or receivable under long-term incentive schemes by 4 directors (2016: 3).

The number of directors who were members of the pension schemes was as follows:

	2017 £000	2016 £000
Defined benefit schemes	-	-

The above amounts for remuneration include the following in respect of the highest paid director:

	2017 £000	2016 £000
Aggregate remuneration	772	1,216
Accrued benefit entitlement under the group's defined benefit scheme	61	-

The accrued pension entitlement under the Company defined benefit scheme of the highest paid director at 31 March 2017 was £nil (2016: £nil).

The highest paid director did not participate in a group pension scheme during the year to 31 March 2017 (2016: none). He received a supplement equal to 25% of his base salary in lieu of pension benefits.

Babcock Holdings Limited

Notes to the financial statements (continued)

8 Income tax expense

	2017 £000	2016 £000
Current tax:		
Group relief for consideration	(2,456)	-
Current tax charge for the year	(2,456)	-
Deferred tax:		
Origination and reversal of temporary differences	1	1
Adjustment in respect of prior years	-	(2)
Impact of change in UK tax rate	315	631
Total deferred tax charge	316	630
Tax on profit on Ordinary activities	(2,140)	630

Tax expense for the year is lower (2016: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on Ordinary activities before taxation	105,890	228,624
Profit on Ordinary activities multiplied by standard UK corporation tax rate of 20% (2016: 20%)	21,178	45,725
Effects of:		
Income not subject to tax	(28,316)	(57,037)
Adjustment in respect of deferred tax for prior years	-	(2)
Impact of change in UK tax rate	315	631
Group relief for nil consideration	7,139	11,313
Group relief for consideration	(2,456)	-
Total tax charge for the year	(2,140)	630

It was announced in 2017 UK Budget that UK corporation tax 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.

Babcock Holdings Limited

Notes to the financial statements (continued)

9 Investments

Shares in group undertakings	2017 £000	2016 £000
Cost		
At 1 April	6,533,759	6,551,759
Additions	459,439	-
Disposals	-	(18,000)
At 31 March	6,993,198	6,533,759
Accumulated impairment		
At 1 April and 31 March	(105,000)	(105,000)
Net book value		
At 31 March	6,888,198	6,428,759

On 23 March 2017, the Company made an investment in Babcock Investments Limited of £459,139,000. Dividends of £170,313,000 (2016: £296,500,000) were received from Group undertakings. The directors believe that the carrying value of the investments is supported by their underlying net assets. A full list of related undertakings for the Company is disclosed in note 18.

10 Trade and other receivables

Amounts falling due within one year:	2017 £000	2016 £000
Amounts due from group undertakings	893,730	846,200
Derivative financial instruments	134,107	74,287
Group relief receivable	7,792	5,336
Deferred tax (note 12)	5,360	5,676
	1,040,989	931,499

Amounts due from group undertakings are unsecured, repayable on demand and include:

- The debenture loan stock due from a subsidiary undertaking of £22,500,000 (2016: £22,500,000) is non-interest bearing for the foreseeable future;
- £30,739,000 (2016: 30,739,000) bearing interest at six month UK LIBOR plus 1%;
- £31,000,000 (2016: £31,000,000) bearing interest at one month UK LIBOR plus 1%;
- £367,458,000 (2016: £367,458,000) bearing interest at six month UK LIBOR plus 4%; and
- The remaining £442,033,000 (2016: £394,503,000) is interest free.

Amounts falling due after more than one year:	2017 £000	2016 £000
Preference shares in a subsidiary undertaking	117,626	109,028

Preference shares include:

- £117,625,000 (2016: £109,028,000) (€137,516,215) maturing on 29 July 2019 bearing interest at EURIBOR +4% (2016: EURIBOR + 4%);

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Notes to the financial statements (continued)

10 Trade and other receivables (continued)

The Company held the following interest rate derivatives at 31 March 2017 and at 31 March 2016:

	Amount US\$000	Amount at swapped rates £000	Swap %	Maturity
Cross currency and interest rate swap	150,000	92,100	Fixed 4.94% US\$ to fixed 5.4% GBP	19/3/2018
Cross currency and interest rate swap	200,000	122,900	Fixed 5.64% US\$ to fixed 5.95% GBP	17/3/2021
Cross currency and interest rate swap	300,000	184,300	Fixed 5.64% US\$ to floating 3 month LIBOR +margin GBP	17/3/2021
Total cross currency and interest rate swaps	650,000	399,300		

Included in derivative financial instruments:

	2017		2016	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Non- current cross-currency interest rate swaps	134,107	-	74,287	-

11 Trade and other payables

	2017 £000	2016 £000
Amounts falling due within one year:		
Amounts due to group undertakings	3,376,640	2,811,357
Preference shares in a subsidiary undertaking	119,968	-
Accruals and deferred income	1,426	1,366
	3,498,034	2,812,723

Amounts due to group undertakings are repayable on demand and:

- £113,935,000 bears interest at UK LIBOR plus 1% (2016: £113,935,000);
- £906,106,000 bears interest at six months UK LIBOR plus 4% (2016: £1,028,106,000);
- £3,111,000 bears interest at three month UK LIBOR (2016: £3,271,000);
- £3,850,000 bears interest at UK LIBOR plus 400 basis points (2016: £3,850,000);
- £158,300,000 bears interest at UK LIBOR plus 4.06250 basis points (2016: £158,300,000);
- £5,850,000 bears interest at 5.06338% (2016: £5,500,000); and
- The remaining £2,185,488,000 (2016: £1,498,395,000) is non-interest bearing.

Preference shares include:

- £119,968,000 (2016: £nil) (US\$150,000,000), mature on 19 March 2018, bearing a fixed interest rate of 4.94% (2016: 4.94%). These preference shares have been reclassified from falling after more than one year.

Babcock Holdings Limited

Notes to the financial statements (continued)

11 Trade and other payables (continued)

	2017 £000	2016 £000
Amounts falling due after more than one year:		
Amounts due to group undertakings	166,845	166,845
Preference shares in a subsidiary undertaking	517,449	561,263
	684,294	728,108

Amounts due to group undertakings are repayable on demand and:

- £19,661,000 bears interest at six month UK LIBOR plus 4% (2016: £19,661,000);
- £102,500,000 bears interest at six month UK LIBOR plus 1% (2016: £102,500,000); and
- The remaining £44,684,000 (2016: £44,684,000) is non-interest bearing.

Preference shares include:

- £117,625,000 (2016: £109,028,000) (€137,516,215) maturing on 29 July 2019 bearing interest at EURIBOR +4% (2016: EURIBOR + 4%);
- £399,824,000 (2016: £348,222,000) (US\$500,000,000), maturing on 17 March 2021 bearing a fixed interest of 5.64% (2016: 5.64%); and
- £nil (2016: £104,014,000) (US\$150,000,000), maturing on 19 March 2018 bearing a fixed interest of 4.94% (2016: 4.94%). These preference shares have been reclassified to falling due within one year.

12 Deferred taxation

The major components of the deferred tax liabilities and deferred tax assets are recorded are as follows:

Deferred tax (assets) / liabilities	Accelerated capital allowances £000	Other £000	Total £000
At 1 April 2016	(6)	(5,670)	(5,676)
- Charged to the income statement	1	315	316
At 31 March 2017	(5)	(5,355)	(5,360)

13 Called up share capital

	2017 £000	2016 £000
Allotted and fully paid		
34,574,605 (2016: 34,574,405) Ordinary shares of £1 each	34,574	34,574

Notes to the financial statements (continued)

14 Share-based payments

The charge to the income statement has been based on the assumptions below and is based on the binomial model as adjusted, allowing for a closed form numerical-integrated solution, which makes it analogous to the Monte Carlo simulations, including performance conditions. The detailed description of the plans below is included within the Remuneration report.

During the year the total charge relating to employee share-based payment plans was £15.0 million (2016: £16.2 million), for the Group as a whole and the charge relating to Babcock Holdings Limited was £3,475,000 (2016: £3,909,000).

After tax, the income statement charge was £12.0 million (2016: £13.0 million).

The fair value per option granted and the assumptions used in the calculation are as follows:

DBMP, PSPs, DBP and CSOP¹

	Options awarded Number	Share price at grant or modification date Pence	Expected volatility %	Option life Years	Expectations of meeting performance criteria – EPS/ROCE %	Fair value per option – TSR Pence	Fair value per option – EPS/ROCE Pence	Correlation %	Grant or modification date
2016 DBMP Matching	479,06	974.5	14.0%	4.0	30%	379.1	974.5	46%	15/06/1
2016 PSP	2,085,4	974.5	14.0%	4.0	30%	389.9	974.5	46%	15/06/1
2016 DBP	14,714	974.5	14.0%	3.0	100%	–	974.5	46%	15/06/1
2016 DBP	62,845	974.5	14.0%	4.0	100%	–	974.5	46%	15/06/1
2016 PSP	27,578	991.0	14.0%	3.75	30%	396.4	991.0	46%	12/10/1
2015 DBMP Matching	936,19	1,121.0	12.0%	4.0	13%	364.0	1,121.0	46%	11/06/1
2015 PSP	1,688,3	1,121.0	12.0%	4.0	20%	374.0	1,121.0	46%	11/06/1
2015 DBP	3,863	1,121.0	12.0%	4.0	100%	–	1,121.0	46%	11/06/1
2014 PSP	14,196	1,007.0	12.0%	3.5	27%	165.0	1,007.0	46%	29/01/1
2014 DBMP Matching	853,80	1,218.0	15.0%	4.0	18%	536.0	1,218.0	46%	12/06/1
2014 PSP	1,550,1	1,218.0	15.0%	4.0	27%	547.0	1,218.0	46%	12/06/1
2014 DBP	8,736	1,218.0	15.0%	4.0	100%	–	1,218.0	46%	12/06/1

Both the vesting period and the expected life of all DBMP, PSP and CSOP awards is three years, but for the DBP it is two years, other than for Executive Directors where the vesting period is three years. The holders of all awards receive dividends, except for CSOP awards.

The DBMP Matching awards are split evenly between the performance criteria of TSR, EPS and ROCE, whilst the PSP and CSOP awards are split evenly between TSR and EPS. There are no performance conditions attached to the DBP.

The expected volatility is based on historical volatility over the last one to three years. The expected life is the average expected period to exercise. The risk free rate of return is the yield on zero-coupon government bonds of a term consistent with the assumed option life.

The Group also operates the Babcock Employee Share Plan which allows employees to contribute up to £150 per month to the fund, which then purchases shares on the open market on the employees' behalf. The Group provides matching shares, purchased on the open market, of one share for every 10 purchased by the employee. During the year the Group bought 61,292 matching shares (2016: 58,036 matching shares) at a cost of £0.6 million (2016: £0.6 million).

The Group also operates the Babcock Employee Share Plan International which reflects the structure of the UK Plan. During the year the Group bought 1,000 matching shares (2016: nil matching shares) to be used when vesting is due to begin in 2019.

1. DBMP = 2012 Deferred Bonus Matching Plan, PSP = 2009 Performance Share Plan, DBP = 2012 Deferred Bonus Plan and CSOP = 2009 Company Share Option Plan.

Babcock Holdings Limited

Notes to the financial statements (continued)

15 Dividends

Dividends declared and paid were £170,313,000 (2016: £82,500,000). There are no plans for a final dividend.

16 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.

17 Guarantees and financial commitments

a) 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 (2016: £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 (2016: £nil).

b) Operating lease commitments

	2017 £000	2016 £000
Land and buildings		
Annual commitments under non-cancellable operating leases expiring as:		
- within one year	-	-
- between two and five years	1,296	818
- after five years	-	-
	1,296	818

18 Related undertakings

All related undertakings for the Company are as listed below:

Name	Address	Interest	Immediate %	All Parent %
ABC Electrification Limited	8th Floor, The Place High, Holborn, London, WC1V 7AA	200 Ordinary-B shares	33.33%	33.33%
Active Management Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary-A shares	100.00%	100.00%
Advanced Jet Training Holdings Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	68,000 Ordinary shares	100.00%	100.00%
Advanced Jet Training Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	68,000 Ordinary shares	100.00%	100.00%
Air Power International Limited	C/O DWF LLP, 110 Queen Street, Glasgow, Scotland, G1 3HD, United Kingdom	93,840 Ordinary shares	100.00%	100.00%
AirTanker Finance Limited	6th Floor, One London Wall, London, EC2Y 5EB, United Kingdom	50,000 Ordinary shares	100.00%	100.00%
AirTanker Holdings Limited	6th Floor, One London Wall, London, EC2Y 5EB, United Kingdom	12,000 Ordinary shares	13.33%	13.33%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
AirTanker Limited	6th Floor, London Wall, London, EC2Y 5EB, United Kingdom	45,629,001 Ordinary shares	100.00%	100.00%
AirTanker Services Limited	Airtanker Hub RAF Brize Norton, Carterton, Oxfordshire, England, OX18 3LX, United Kingdom	22,378 Ordinary shares	22.33%	22.33%
Airwork Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Airwork Technical Services & Partners LLC	PO Box 248 (located at Muaskar Al Murtafa'a (MAM) Garrison), Muscat, 100, Sultanate of Oman	127,500 Ordinary shares	51.00%	51.00%
ALC (FMC) Limited	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ, United Kingdom	1 Ordinary shares	100.00%	100.00%
ALC (Holdco) Limited	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ, United Kingdom	10,000 Ordinary shares	100.00%	100.00%
ALC (SPC) Limited	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ, United Kingdom	10,000 Ordinary shares	100.00%	100.00%
ALC (Superholdco) Limited	The Sherard Building, Edmund Halley Road, Oxford, Oxfordshire, OX4 4DQ, United Kingdom	5,000 Ordinary shares	50.00%	50.00%
Alert Communications (2006) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10 Ordinary shares, 4,693,137 Preference shares	100.00%	100.00%
Alert Communications (Holdings) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	476,000 Ordinary shares	100.00%	100.00%
Alert Communications Group Holdings Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	20.00%	20.00%
Alert Communications Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	476,000 Ordinary shares	100.00%	100.00%
Alstec Automation Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Alstec Defence Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Alstec Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Appledore Shipbuilders (2004) Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	103,000 Ordinary-A shares, 897,000 Ordinary-B shares	100.00%	100.00%
Armstrong Technology Associates Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	50,000 Ordinary shares	100.00%	100.00%
Ascent Flight Training (Holdings) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	814,000 Ordinary shares	50.00%	50.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Ascent Flight Training (Management) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,500,000 Ordinary shares	100.00%	100.00%
Ascent Flight Training (Services) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	30,000 Ordinary shares	100.00%	100.00%
AUH-Bidco Pty Limited	Level 10, 70 Franklin Street, Adelaide SA 5000, Australia	335,250 Ordinary shares	100.00%	100.00%
Babcock (NZ) Limited	C/O Babcock Central Office, HMNZ Dockyard, Devonport Naval Base, Queens Parade, Devonport, Auckland, 0744, New Zealand	2,000,000 Ordinary shares	100.00%	100.00%
Babcock 1234 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock 2010 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock 4S Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	801 Ordinary-A shares	80.10%	80.10%
Babcock Aerospace Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Africa (Pty) Limited	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	145,392 Redeemable Preference shares; 1,250,000 Ordinary shares	100.00%	100.00%
Babcock Africa Holdings (Pty) Ltd	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	235,112 Ordinary shares, 1 Preference shares	90.04%	90.04%
Babcock Africa Investments (Pty) Ltd	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	215,413 Ordinary shares	100.00%	100.00%
Babcock Africa Investments BV	1 Osborne Lane, Bedfordview, Johannesburg 2007, South Africa	18,000 Ordinary shares	100.00%	100.00%
Babcock Africa Services (Pty) Ltd	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	710,000 Ordinary shares	100.00%	100.00%
Babcock Airports Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Assessments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	166,000 Ordinary shares	100.00%	100.00%
Babcock Australia Holdings Pty Ltd	Level 10, 70 Franklin Street, Adelaide SA 5000, Australia	11,432,071,669 Ordinary shares	100.00%	100.00%
Babcock Aviation Services (Holdings) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	200 Ordinary shares	100.00%	100.00%
Babcock Aviation Services (Holdings) SL	Plaza Pablo Ruiz, Picasso 1, Torre Picasso, 28020, Madrid, Spain	3,000 Company Participations shares	100.00%	100.00%
Babcock B.V.	Bezuidehoutseweg 1, 2594AB, 's-Gravenhage, Netherlands	18,000 Ordinary shares	100.00%	100.00%
Babcock Brazil Investments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	751,000 Ordinary shares	100.00%	100.00%
Babcock Brisco Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Babcock Canada Inc	Norton Rose Fulbright Canada LLP, 45 O'Connor Street, Suite 1500, Ottawa ON K1P 1A4, Canada	2 Ordinary shares	100.00%	100.00%
Babcock Career Progressions Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,200 Ordinary shares	100.00%	100.00%
Babcock Careers Guidance (South) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	51 Ordinary-A shares, 49 Ordinary-B shares	100.00%	100.00%
Babcock Careers Guidance Limited	33 Wigmore Street, London, W1U 1QX	1,050 Ordinary shares	100.00%	100.00%
Babcock Civil Infrastructure Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Communications & Partners LLC	PO Box 248 (located at Muaskar Al Murtafa'a (MAM) Garrison), Muscat, 100, Sultanate of Oman	105,000 Ordinary shares	70.00%	70.00%
Babcock Communications Cyprus Limited	199 Mariakos III Ave, Neoclous House, CY 3030 Limassol, Cyprus	10,000 Ordinary shares	100.00%	100.00%
Babcock Communications Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000,000 Ordinary shares	100.00%	100.00%
Babcock Contractors Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	6,700,000 Ordinary shares	100.00%	100.00%
Babcock Corporate Secretaries Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Babcock Corporate Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	181,369,248 Ordinary shares	100.00%	100.00%
Babcock Critical Assets Holdings LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Critical Services Limited	C/O DWF LLP, 110 Queen Street, Glasgow, Scotland, G1 3HD, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Defence & Security Holdings LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Defence & Security Pty Ltd	Level 10, 70 Franklin Street, Adelaide SA 5000, Australia	1 Ordinary shares	100.00%	100.00%
Babcock Defence and Security Investments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Defence Systems Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,000 Ordinary shares	100.00%	100.00%
Babcock Design & Technology Limited	c/o Babcock International, Rosyth Business Park, Rosyth, Dunfermline, Fife, KY11 2YD, Scotland	2 Ordinary shares	100.00%	100.00%
Babcock DSG Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
Babcock Dyncorp Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	560 Ordinary-A shares	56.00%	56.00%
Babcock Education & Training Holdings LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Babcock Education and Skills Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Babcock Education and Training (Pty) Ltd	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	85,000 Ordinary shares	100.00%	100.00%
Babcock Education Holdings Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Emergency Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Babcock Engine Controls Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	7,000,000 Ordinary shares	100.00%	100.00%
Babcock Engineering Assessments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	43,100 A Ordinary shares, 43,100 B Ordinary shares, 16,300 C Ordinary shares	100.00%	100.00%
Babcock Engineering Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,500,000 Ordinary shares	100.00%	100.00%
Babcock Environmental Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock Finance Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Financial Services (Pty) Ltd	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	100 Ordinary shares	100.00%	100.00%
Babcock Fire Services (SW) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	50,000 Ordinary shares	100.00%	100.00%
Babcock Fire Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Fire Training (Avonmouth) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock Flagship Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Group (US Investments) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,120 Ordinary shares	100.00%	100.00%
Babcock Group International Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Babcock Group Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,231 Ordinary shares	100.00%	100.00%
Babcock Holdings (USA) Incorporated	Prentice Hall Corporation Systems Inc., S32 Lookerman Square, Ste. L-100 Dover Delaware, United States	5,292 Redeemable Preference shares, 3,712 Common shares	100.00%	100.00%
Babcock HSPS Trustees Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Babcock Information Analytics and Security Holdings Limited	Lincoln House, Wellington Crescent, Fradley Park, Lichfield, Staffordshire, WS13 8RZ, United Kingdom	100,000 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Babcock Information Analytics and Security Limited	Lincoln House, Wellington Crescent, Fradley Park, Lichfield, Staffordshire, WS13 8RZ, United Kingdom	349,097 Ordinary shares, 50,000 Preference shares	100.00%	100.00%
Babcock Infrastructure Holdings LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Integrated Technology (Korea) Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock Integrated Technology GmbH	Berliner Platz 12, 41061, Monchengladbach, Germany	25,000 Ordinary shares	100.00%	100.00%
Babcock Integrated Technology Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	40,100 Ordinary shares	100.00%	100.00%
Babcock Integration LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock International France SAS	4 rue Lord Byron, 75008 PARIS, Paris, France	1 Ordinary shares	100.00%	100.00%
Babcock International Guarantee Company	33, Wigmore Street, London, W1U 1QX, United Kingdom	100,000 Ordinary shares	100.00%	100.00%
Babcock International Holdings BV	Bezuidenhoutseweg 1, 2594 AB The Hague, The Netherlands	18,002 Ordinary-A shares	100.00%	100.00%
Babcock International Italy S.p.A.	Piazza Castello no.26 - 20121 Milan, Italy	50,000 Ordinary shares	100.00%	100.00%
Babcock International Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100,000,000 Ordinary shares, 5,000,000 Preference shares	100.00%	100.00%
Babcock International Middle East Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
Babcock International Spain S.L.U.	Mutxamel, Alicante, Aeródromo de Mutxamel, 03110, Partida la Almaina 92, Spain	3,000 Ordinary shares	100.00%	100.00%
Babcock International Support Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	26,250,000 Ordinary shares	100.00%	100.00%
Babcock International US Inc	21001 Great Mills Road, Lexington Park, Maryland DE 20653, United States	1,000 Ordinary shares	100.00%	100.00%
Babcock Investments (Fire Services) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock Investments (Number Eight) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	6,045,793 Ordinary shares	100.00%	100.00%
Babcock Investments (Number Four) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	698 Ordinary shares	100.00%	100.00%
Babcock Investments (Number Three) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	201 Ordinary shares	100.00%	100.00%
Babcock Investments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	510,214,124 Ordinary shares	100.00%	100.00%
Babcock IP Management (Number One) Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	10,007 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Babcock IP Management (Number Two) Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	10,001 Ordinary shares	100.00%	100.00%
Babcock Ireland Finance Limited	44 Esplanade, St Helier, Jersey, JE4 9WG, Jersey	121,907 Ordinary shares	100.00%	100.00%
Babcock Land (Whitefleet Management) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock Land Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Learning and Development Partnership LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	80.10%	80.10%
Babcock Leaseco Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock Lifeskills Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,000 Ordinary shares	100.00%	100.00%
Babcock Luxembourg Finance S.a.r.l.	12F rue Guillaume Kroll, L - 1882 Luxembourg, Luxembourg	4,872,000 Ordinary shares	100.00%	100.00%
Babcock Luxembourg Investments I S.a.r.l.	12F rue Guillaume Kroll, L-1882 Luxembourg, Luxembourg	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Luxembourg Investments S.a.r.l.	12F rue Guillaume Kroll, L - 1882 Luxembourg, Luxembourg	14,000 Ordinary shares	100.00%	100.00%
Babcock Luxembourg S.a.r.l.	23 Avenue Monterey, L-2086, Luxembourg	4,872,000 Ordinary shares	100.00%	100.00%
Babcock Malta (Number Two) Limited	44 Esplanade, St Helier, JE4 9WG, Jersey	3,002 Ordinary shares	100.00%	100.00%
Babcock Malta Finance (Number Two) Limited	Verdala Business Centre, Level 1, LM Complex, Brewery Street, Mriehel, Birkirkara, BKR 3000, Malta	322,432 Ordinary-A shares, 1,000 Ordinary-B shares	100.00%	100.00%
Babcock Malta Finance Limited	Verdala Business Centre, Level 1, LM Complex, Brewery Street, Mriehel, Birkirkara, BKR 3000, Malta	272,155,892 Ordinary-A shares, 272,155,891 Ordinary-B shares, 1 Ordinary-C shares	100.00%	100.00%
Babcock Malta Holdings (Number Two) Limited	Verdala Business Centre, Level 1, LM Complex, Brewery Street, Mriehel, Birkirkara, BKR 3000, Malta	1 Ordinary-C shares	0.00%	0.00%
Babcock Malta Holdings Limited	Verdala Business Centre, Level 1, LM Complex, Brewery Street, Mriehel, Birkirkara, BKR 3000, Malta	149,997,333 Ordinary-A shares, 149,997,333 Ordinary-B shares, 1 Ordinary-C shares	100.00%	100.00%
Babcock Malta Limited	Verdala Business Centre, Level 1, LM Complex, Brewery Street, Mriehel, Birkirkara, BKR 3000, Malta	141 Ordinary shares	100.00%	100.00%
Babcock Managed Security Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,000 Ordinary shares, 10,000 Deferred shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Babcock Management Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	48,001,645 Ordinary shares	100.00%	100.00%
Babcock Marine & Technology Holdings Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,597 Ordinary shares	100.00%	100.00%
Babcock Marine (Clyde) Limited	c/o Babcock International, Rosyth Business Park, Rosyth, Dunfermline, Fife, KY11 2YD, Scotland	1 Ordinary shares	100.00%	100.00%
Babcock Marine (Devonport) Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, England	204 Ordinary-A shares, 196 Ordinary-B shares	100.00%	100.00%
Babcock Marine (Rosyth) Limited	Rosyth Business Park, Rosyth, Dunfermline, Fife, KY11 2YD, Scotland	101,000 Ordinary shares	100.00%	100.00%
Babcock Marine Holdings (UK) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,001 Ordinary shares, 150,000,000 Preference shares	100.00%	100.00%
Babcock Marine Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,000 Ordinary shares	100.00%	100.00%
Babcock Marine Products Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	5,500,000 Ordinary shares	100.00%	100.00%
Babcock MCS Congo SA	Avenue Charles de Gaulle, PB 5871, Pointe-Noire, PB 5871, Congo, The Democratic Republic of the	10,000,000 Ordinary shares	100.00%	100.00%
Babcock MCS Fleet Management S.p.A.	Piazza Castello no. 26, 20121, Milan, Italy	120,000 Ordinary shares	100.00%	100.00%
Babcock MCS Mozambique, Limitada	Sala no. 2022, 1 Andar, Terminal A, Aeroporto Internacional do Maputo, Distrito Urbano 2, Mozambique	4,200,000 Ordinary shares	100.00%	100.00%
Babcock Media Services Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	104,824 Ordinary shares	100.00%	100.00%
Babcock Middle East LLC	Suite 702, Tower A, Al Jazira Sports Club, Muroor Road, Abu Dhabi, PO BOX 114851, United Arab Emirates	49 Ordinary shares	49.00%	49.00%
Babcock Mission Critical Services (Ireland) Limited	24/26 City Quay, Dublin, DUBLIN 2, Ireland	100,000 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Asset Management SAU	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	6,000 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Australasia Pty Ltd	Level 10, 70 Franklin Street, Adelaide SA 5000, Australia	200,228 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Design and Completions Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	1,560,100 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Babcock Mission Critical Services España SAU	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	18,588 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Fleet Management SAU	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	62,058,514 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services France SA	Lieu dit le Portaret, 83340, Le Cannet-des-Maures, France	394,550 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Galicia SL	Lugar Lavacolla-Aeropuerto Santiago, S/N, C.P., 15820, Santiago de Compostela, A Coruna, Spain	8,200 Ordinary shares	91.11%	91.11%
Babcock Mission Critical Services Germany GmbH	Augsburg Airport, Flughafenstrasse 19, 86169 Augsburg, Germany	25,650 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Group, S.A.U.	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	21,775,831 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Holdings, S.L.U.	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	91,060,199 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services International S.A.U.	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	156,144,113 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Italia S.p.A	Piazza Castello no. 26, 20121, Milan, Italy	10,378,536 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Leasing Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	50,100 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	279,199 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Offshore Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	52,632 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Onshore Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	1,666,666 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Portugal, Unipessoal, LDA	Heliporto de Salemas, Lousa, 2670-769, Lisboa, Loures, Portugal	89,784 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services Topco Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	173,202 Ordinary shares	75.02%	75.02%
Babcock Mission Critical Services UK Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	96,891,738 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services, S.A.U.	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	33,650 Ordinary shares	100.00%	100.00%
Babcock Mission Critical Services, Scandinavia AB	c/o Ashurst Advokatbyrå AB, PO Box 7124, 10387, Stockholm, Sweden	61,061 Ordinary-A shares, 11,082 Ordinary-B shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Babcock Moçambique Limitada	Av. Samora Machel 3380/1, Mozambique	151,550 Ordinary shares	100.00%	100.00%
Babcock MSS Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Babcock Namibia Services Pty Ltd	2nd Floor, Unit 3 La Chambers, Dr Agostinho Neto Road, Aussspanplatz, Windhoek, Namibia	100 Ordinary shares	100.00%	100.00%
Babcock Networks Ireland Limited	Unit 2, Red Cow Interchange Estate, Ballymounth, Dublin, 22, Ireland	2,000,000 Ordinary shares	100.00%	100.00%
Babcock Networks Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,076,900 Ordinary shares	100.00%	100.00%
Babcock Nominees Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	700,000 Ordinary shares	100.00%	100.00%
Babcock Ntuthuko Aviation (Pty) Limited	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	89 Ordinary shares	74.17%	74.17%
Babcock Ntuthuko Engineering (Proprietary) Limited	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	300,000 Ordinary shares	75.00%	75.00%
Babcock Ntuthuko Powerlines (Proprietary) Limited	1st Floor, Acacia House, Plot 54358, Prime Plaza, New CBD, Gaborone, Botswana	100 Ordinary shares	100.00%	100.00%
Babcock Nuclear Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	162,002 Ordinary shares	100.00%	100.00%
Babcock Offshore Services Australasia Pty Ltd	Level 10, 70 Franklin Street, Adelaide SA 5000, Australia	28,973,025 Ordinary shares	100.00%	100.00%
Babcock Oman LLC	Al Raid Business Centre, Qurum, PO Box 2315, Muscat, PC130, Oman	990,000 Ordinary shares	99.00%	99.00%
Babcock Overseas Investments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	3,260,578 Ordinary shares	100.00%	100.00%
Babcock Partner No 6 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	45,309,880 Ordinary shares	100.00%	100.00%
Babcock Partner No 7 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	500,000 Ordinary shares	100.00%	100.00%
Babcock Partners No 2010 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Babcock Plant Services (Pty) Ltd	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	16,659 Ordinary shares	72.00%	72.00%
Babcock Porchester Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock Power Maintenance Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,900,000 Ordinary shares	100.00%	100.00%
Babcock Project Investments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	5,000,000 Ordinary shares	100.00%	100.00%
Babcock Project Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	25,000 Ordinary-A shares, 25,000 Ordinary-B shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Babcock Pty Ltd	Level 10, 70 Franklin Street , Adelaide SA 5000, Australia	202 Ordinary shares	100.00%	100.00%
Babcock Rail Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,225 Ordinary shares	100.00%	100.00%
Babcock SAA FW AB	Flygstationsvägen 4, 972 54 , Luleå, Sweden	4,650 Ordinary shares	100.00%	100.00%
Babcock Scandinavia Holding AB	Flygstationsvägen 4, 972 54 , Luleå, Sweden	72,143 Ordinary shares	100.00%	100.00%
Babcock Scandinavian AirAmbulance AB	Lägervägen 3, 832 56 , Frösön, Sweden	1,000 Ordinary shares	100.00%	100.00%
Babcock Services Group Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	586,146 Ordinary shares	100.00%	100.00%
Babcock Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100,000 Ordinary shares, 73,568 Ordinary-A shares, 632,830 Preference shares	100.00%	100.00%
Babcock Skills Development and Training Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	111 Ordinary shares	100.00%	100.00%
Babcock Southern Careers Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	15,020 Ordinary-A shares, 3,980 Ordinary- B shares, 1,000 Ordinary-C shares	100.00%	100.00%
Babcock Southern Holdings Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,438,710,403,785 Ordinary shares	100.00%	100.00%
Babcock SSD Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock Support Services (Canada) Inc.	44 Chipman Hill , Suite 1000, P.O. Box 7289, Station "A", Saint John NB E2L 4S6, Canada	1 Common Shares	100.00%	100.00%
Babcock Support Services (Investments) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,307 Ordinary shares	100.00%	100.00%
Babcock Support Services (USA) LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	1 Ordinary shares	100.00%	100.00%
Babcock Support Services GmbH	Berliner Platz 12, 41061, Monchengladbach, Germany	25,000 Ordinary shares	100.00%	100.00%
Babcock Support Services Limited	C/O DWF LLP , 110 Queen Street , Glasgow , Scotland, G1 3HD, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Babcock Support Services s.r.l.	Via Foro Buonaparte, 70 20121, Milano, Italy	10,000 Ordinary shares	100.00%	100.00%
Babcock Systems Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100,000 Ordinary shares	100.00%	100.00%
Babcock TCM (Proprietary) Limited	Plot 72, Gaborone International Commerce Park, Gaborone, Botswana	100 Ordinary shares, 1,000 Redeemable Preference shares	100.00%	100.00%
Babcock Technical Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Babcock Training Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company.> Subsidiary Company	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Babcock Transmission Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	101,000 Ordinary shares	100.00%	100.00%
Babcock Trustees Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Babcock UK Finance	33, Wigmore Street, London, W1U 1QX, United Kingdom	404,380 Ordinary shares	100.00%	100.00%
Babcock US Investments (Number Two) LLC	c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover DE 19904, United States	110 Ordinary-A shares, 110 Ordinary-B shares	100.00%	100.00%
Babcock US Investments Inc.	c/o National Registered Agents, Inc., 160 Greentree Drive, Suite 101, , Dover, Kent County DE 19904, United States	110 Ordinary-A shares, 110 Ordinary-B shares	100.00%	100.00%
Babcock US Investments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,610 Ordinary shares	100.00%	100.00%
Babcock Vehicle Engineering Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	92 Ordinary-A shares, 108 Ordinary-B shares, 40 Ordinary-C shares, 4 Ordinary-D shares, 1 Ordinary-E shares, 1 Ordinary-F shares	100.00%	100.00%
Babcock Welbeck Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
Babcock Woodall-Duckham (Overseas) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	108,485 'B' Ordinary shares, 51,515 Ordinary shares, 180,000 6% Cumulative Preference shares	100.00%	100.00%
Babcock Zambia Limited	PO Box 28037, Kitwe, Copperbelt Province, 101010, Zambia	5,000,000 Ordinary shares	100.00%	100.00%
Babcock2 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	6,000,145 Ordinary shares	100.00%	100.00%
Babcock-Moxey Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	20,447 Ordinary shares	100.00%	100.00%
BCRA Chesterfield Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	225,000 Ordinary shares, 75,000 Ordinary-A shares, 400,000 Redeemable Preference shares	100.00%	100.00%
BIL Solutions Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,000,000 Ordinary shares	100.00%	100.00%
Birchill Investment Co. Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10 Ordinary shares	100.00%	100.00%
BMH (2002) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	129,572 Ordinary shares	100.00%	100.00%
BMH Technologies (Holdings) GmbH	Berliner Platz 12, 41061, Monchengladbach, Germany	1 Ordinary shares, 1 Ordinary shares	100.00%	100.00%
BMPT Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	12 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
BNS Nuclear Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	12,100 Ordinary shares	100.00%	100.00%
BNS Pension Trustees Limited	C/O Babcock International Group, Rosyth Business Park, Rosyth, Dunfermline, Fife, KY11 2YD, Scotland	2 Ordinary shares	100.00%	100.00%
BNS Pensions Ltd	C/O Babcock International Group, Rosyth Business Park, Rosyth, Dunfermline, Fife, KY11 2YD, Scotland	1 Ordinary shares	100.00%	100.00%
Bond Aviation Holdings II Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Bond Aviation Holdings Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Bond Aviation Leasing Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Bond Aviation Topco Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	17,135,418 Ordinary shares, 27,864,332 Preference shares	100.00%	100.00%
Bond European Aviation Leasing Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
Bond Mission Critical Services PLC	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	140,036,750 Ordinary shares	100.00%	100.00%
British Nuclear Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Brooke Marine Shipbuilders Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Capital Careers Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	8,825 Ordinary shares	88.25%	88.25%
Cavendish Boccord Nuclear Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	51 Ordinary shares	51.00%	51.00%
Cavendish Dounreay Partnership Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	50 Ordinary-A shares	50.00%	50.00%
Cavendish Fluor Partnership Limited	C/O Babcock International Group PLC, 33 Wigmore Street, London, W1U 1QX, United Kingdom	65 Ordinary shares	65.00%	65.00%
Cavendish Nuclear (Overseas) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	25,000 Ordinary shares	100.00%	100.00%
Cavendish Nuclear Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	15 Ordinary shares, 50,000 Preference shares	100.00%	100.00%
Cavendish Nuclear Manufacturing Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000,000 Ordinary shares	100.00%	100.00%
Certas Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Chart Distribution Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,000 Ordinary shares	100.00%	100.00%
Chart Services Limited	C/O DWF LLP, 110 Queen Street, Glasgow, Scotland, G1 3HD, United Kingdom	6,345,292 Ordinary shares	100.00%	100.00%
Chart Storage & Transportation Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,108,950 Ordinary shares	100.00%	100.00%
Chepstow Insurance Limited	St Martin's House, Le Bordage, St Peter Port, GY1 4AU	600,000 Ordinary shares	100.00%	100.00%
Cognac Formation Aero	Lieu dit le Portaret, 83340, Le Cannet des Maures, France	2,000 Ordinary shares	100.00%	100.00%
Conbras Servicos Tecnicos de Suporte Ltda	Rua Nilo Pecanha no 50, Suites 314 & 315, Centro, Rio de Janeiro, 20020.100, Brazil	7,282,793 Ordinary shares	100.00%	100.00%
Context Information Security GmbH	Ernst-Ludwig-Ring 2, Bad Nauheim, 61231, Amtsgericht Friedberge (Hessen), Germany	25,000 Ordinary shares	100.00%	100.00%
Context Information Security Limited	11 Westferry Circus, London, E14 4HD, United Kingdom	7,000 Ordinary shares	100.00%	100.00%
Context Information Security LLC	c/o Corporation Service Company, 2711 Centerville Road, Suite 400, Wilmington DE 19808, United States	50 Ordinary-A shares, 50 Ordinary-B shares	100.00%	100.00%
Costpool Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	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	1,315,000 Common shares	100.00%	100.00%
Cura Classis (UK) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	372,000 Ordinary shares	100.00%	100.00%
Cura Classis (US) Hold Co LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	552,000 Ordinary shares	48.00%	48.00%
Cura Classis (US) LLC	251 Little Falls Drive, Wilmington, Delaware 19808, United States	1 Ordinary shares	100.00%	100.00%
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 4S6, Canada	631,200 Common shares, 576,000 Ordinary-A shares	48.00%	48.00%
Cura Classis UK (Hold Co) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	178,560 Ordinary shares	48.00%	48.00%
Debut Services (Contracts) Limited	142 Northolt Road, Harrow, Middlesex, HA2 0EE, United Kingdom	1 Ordinary shares	9.09%	9.09%
Debut Services (South West) Limited	c/o Bovis Lend Lease Limited, 20 Triton Street, Regent's Place, London, England, NW1 3BF	500 Ordinary shares	50.00%	50.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Debut Services Limited	c/o Bovis Lend Lease Limited, 20 Triton Street, Regent's Place, London, England, NW1 3BF	150 Ordinary shares	15.00%	15.00%
Defence SCS Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	1 Ordinary shares	100.00%	100.00%
Devonport Management Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Devonport Royal Dockyard Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	5,350,001 Ordinary shares	100.00%	100.00%
Devonport Royal Dockyard Pension Trustees Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	100 Ordinary shares	100.00%	100.00%
Dounreay Site Restoration Limited	Building D2003, Dounreay, Thurso, Caithness, KW14 7TZ, Scotland	1 Ordinary-A shares	100.00%	100.00%
European Air-Crane S.p.A.	Via Duca D'Aosta no. 20, 50129, Florence, Italy	490,000 Ordinary shares	49.00%	49.00%
Eve Construction Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Eve Developments Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Eve Group Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
Eve NCI Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000 Ordinary shares	100.00%	100.00%
Eve Power Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Eve Transmission Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Falck Air Ambulance A/S	Falck Danmark A/S, Politortvet 1, 1569, Copenhagen, Denmark	3,000,000 Ordinary shares	50.00%	50.00%
FBM Babcock Marine Holdings (UK) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,935,244 Ordinary shares	100.00%	100.00%
FBM Babcock Marine Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	921,957 Ordinary shares	100.00%	100.00%
FBM Marine International (UK) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,000 Ordinary shares	100.00%	100.00%
FBV Designs Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	250,000 'B' Ordinary shares	50.00%	50.00%
First Engineering Holdings Limited	Kintail House, 3 Lister Way, Hamilton International Park, Blantyre, G72 0FY, Scotland	371,319 Ordinary shares	100.00%	100.00%
First Engineering Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	150,000 Ordinary shares	100.00%	100.00%
First Fire and Rescue Service Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
First Fire and Rescue Service No 2 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
First Projects Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Fixed Wing Training Holdings Limited	c/o Babcock International Group PLC, 33 Wigmore Street, London, W1U 1QX, United Kingdom	30,000 Ordinary shares	100.00%	100.00%
Fixed Wing Training Limited	c/o Babcock International Group PLC, 33 Wigmore Street, London, W1U 1QX, United Kingdom	30,000 Ordinary shares	100.00%	100.00%
Flagship Fire Fighting Training Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
FN Consultancy Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	2 Ordinary shares	100.00%	100.00%
FNC Group Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	2 Ordinary shares	100.00%	100.00%
FNC Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	2 Ordinary shares	100.00%	100.00%
Form Land Support Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	191,287 Ordinary shares	100.00%	100.00%
Frazer-Nash Consultancy (Australia) Pty Ltd	689-695 Mersey Road, Osborne SA 5017, Australia	1 Ordinary shares	100.00%	100.00%
Frazer-Nash Consultancy Group Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	10,908,600 Ordinary-A shares, 658,500 Ordinary-B shares	100.00%	100.00%
Frazer-Nash Consultancy Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	115,671 Ordinary shares, 50,000 A Preference shares, 50,000 B Preference shares	100.00%	100.00%
FSP (2004) Limited	Kintail House, 3 Lister Way, Hamilton International Park, Blantyre, G72 0FT, Scotland	50 Ordinary-A shares	50.00%	50.00%
FW 1B SPV Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares, 100 Deferred shares	100.00%	100.00%
Gaycrete Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	5,333 Ordinary shares	100.00%	100.00%
Gibraltar Investments (No. 7) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000 Ordinary shares, 1,000,000 Ordinary-B shares	100.00%	100.00%
Global Broadcast Telecommunication Services Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Guidance Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
HCTC Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	17,621,361 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Heli Aviation (Tianjin) Helicopter Sales Co., Ltd.	Room 514/515, The Aviation Industry Support Center, Comprehensive Free Trade Zone, Airport Industrial Park, 1 Boahang Riad, Tianjin, China	1 Ordinary shares	100.00%	100.00%
Heli Aviation China Limited	World Finance Centre, Kowloon Hong Kong/Room 1102-1103 11/F, Kowloon Building, 555 Nathan Road, Mongkok, Kowloon, Hong Kong	10,000 Ordinary shares	100.00%	100.00%
Helidax S.A.S.	Route de Tercis, 40100, Dax, France	7,500,000 Ordinary shares	50.00%	50.00%
Hiberna Contract Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	8,614,327 Ordinary shares	100.00%	100.00%
Hiberna FM Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Hiberna Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 ORDINARY shares	100.00%	100.00%
Hiberna Network Solutions Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	650,000 Ordinary shares	100.00%	100.00%
Holdfast Training Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	740 Ordinary shares	74.00%	74.00%
Inaer Ghana Limited	2nd Floor, Opeibea House, 37 Liberation Road, P.O. Box CT 9347, Cantonments, Accra, Ghana	180,000 Ordinary shares	90.00%	90.00%
INAER Helicopter Australia Pty Ltd	Level 10, 70 Franklin Street, Adelaide SA 5000, Australia	100,824,631 Ordinary shares	100.00%	100.00%
INAER Helicopter Chile S.A.	2880 Americo Vespucio Norte Avenue, Suite 1102, Conchalí, Santiago, Chile	100,000 Ordinary shares	100.00%	100.00%
INAER Helicopter Peru S.A.C.	Av. De La Floresta No 497 Int., Lima, Peru	80,886 Ordinary shares	70.06%	70.06%
INAER Ireland Finance Limited	Custom House Plaza, Block 6, IFSC, Dublin, DUBLIN 1, Ireland	5 Ordinary shares	100.00%	100.00%
INS Innovation Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Integrated Safety Services Group Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	21,471,080 Ordinary shares	100.00%	100.00%
International Channel Europe Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Jackson (EBP) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
Jackson Management Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	12,498 Ordinary shares	100.00%	100.00%
KML (UK) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	100.00%	100.00%
Learning21 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Liquid Gas Equipment Limited	Rosyth Business Park, Rosyth, Dunfermline, Fife, Scotland, KY11 2YD, United Kingdom	2 Ordinary shares	100.00%	100.00%
Locam Limited	Lincoln House, Wellington Cr�scent, Fradley Park, Lichfield, Staffordshire, England, WS13 8RZ, United Kingdom	1 Ordinary shares	100.00%	100.00%
Magnox Limited	Oldbury Technical Centre, Oldbury Naite, Thornbury, Bristol, United Kingdom	1 Ordinary shares	50.00%	50.00%
Marine Engineering & Fabrications (Holdings) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	60 Ordinary shares	100.00%	100.00%
Marine Engineering & Fabrications Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
Marine Industrial Design Limited	C/O Babcock Central Office, HMNZ Dockyard, Devonport Naval Base, Queens Parade, Devonport, Auckland, 0744, New Zealand	100 Ordinary shares	100.00%	100.00%
Merlin Communications Group Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	296,001 Ordinary-B shares, 315,830 Ordinary-A shares	100.00%	100.00%
Merlin Orfordness Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Municipal Vehicle Hire Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
Naiad Marine B.V	Prins Bernhardplein 200, 1097 JB, Amsterdam, Netherlands	136,200 Ordinary shares	100.00%	100.00%
National Training Institute LLC	PO Box 267, MadinatQaboos, Sultanate of Oman, 115, Oman	350,000 Ordinary shares	70.00%	70.00%
Naval Ship Management (Australia) Pty Ltd	Level 10, 40 Miller Street, North Sydney NSW 2060, Australia	1 Ordinary shares	50.00%	50.00%
Northern Cable Installations Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Pearson & Raby Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
Peterhouse GmbH	Berliner Platz 12, 41061, Monchengladbach, Germany	25,600 Ordinary shares	100.00%	100.00%
Peterhouse Group Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	40 Ordinary shares	100.00%	100.00%
Peterhouse5 (Shorc�) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	50,100 Ordinary-A shares, 50,000 Ordinary-B shares	100.00%	100.00%
Peterhouse6 (IETG) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	57,147,364 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
PHG Insurance Limited	St Martin's House, Le Bordage, St Peter Port, GY1 4AU, Guernsey	99,999 Ordinary shares	100.00%	100.00%
Port Babcock Rosyth Ltd	c/o Babcock International, Rosyth Business Park, Rosyth, Dunfermline, Fife, KY11 2YD, Scotland	10,000 Ordinary shares	100.00%	100.00%
Rear Crew Training Holdings Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000 Ordinary shares	100.00%	100.00%
Rear Crew Training Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000 Ordinary shares	100.00%	100.00%
Research Sites Restoration Limited	Oldbury Technical Centre, Oldbury Naite, Thornbury, Bristol, United Kingdom	1 Ordinary-A shares	100.00%	100.00%
Rosyth Royal Dockyard Limited	c/o Babcock International, Rosyth Business Park, Rosyth, Dunfermline, Fife, KY11 2YD, Scotland	49,998 Ordinary 'A' shares, 200,022 Ordinary shares	100.00%	100.00%
Rosyth Royal Dockyard Pension Trustees Limited	c/o Babcock International, Rosyth Business Park, Rosyth, Dunfermline, Fife, KY11 2YD, Scotland	100 Ordinary shares	100.00%	100.00%
Rotary Wing Training Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000 Ordinary shares	100.00%	100.00%
Rowmoor Investments 811 (Pty) Ltd	Riley Road Office Park, 15E Riley Road, Bedfordview, Gauteng, 2007, South Africa	49 Ordinary shares	49.00%	49.00%
S.I.M.A. Societa Italiana de Manutenzioni Aeronautiche SpA	Via Duca D'Aosta no. 20, 50129, Florence, Italy	180,000 Ordinary shares	60.00%	60.00%
S.O.S. Helikoptern Gotland AB	Frösö Park byggnad 89, 832 96, Frösön, Sweden	1,000 Ordinary shares	100.00%	100.00%
SBRail Limited	33 Wigmore Street, London, W1U 1QX	1 Ordinary shares	100.00%	100.00%
Scandinavian Air Ambulance Norge A/S	Nerstranda 55, 9008 Troms, Norway	100,000 Ordinary shares	100.00%	100.00%
Scimco Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	5,000,000 Ordinary shares	100.00%	100.00%
Skills2Learn Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	100.00%	100.00%
St Helen's Securities Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	11,361,934 Ordinary shares	100.00%	100.00%
Strachan & Henshaw Canada Inc	45 O'Connor Street, Suite 1500, Ottawa, Ontario K1P 1A4, Canada	1,000 Ordinary shares	100.00%	100.00%
Strachan & Henshaw Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	3,000,000 Ordinary shares	100.00%	100.00%
Strachan & Henshaw, Inc	CT Corporation Systems, 155 Federal Street, Suite 700, Boston MA 02110, United States	10,000 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements (continued)

18 Related undertakings (continued)

Name	Address	Interest	Immediate %	All Parent %
Surrey Careers Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	23,328 Ordinary shares	94.11%	94.11%
Svensk Flygambulans AB	Säve Flygplatsväg 16, 423 73, Säve, Sweden	200 Ordinary shares	100.00%	100.00%
The Stirling Boiler Company Limited	C/O DWF LLP, 110 Queen Street, Glasgow, Scotland, G1 3HD, United Kingdom	15,000 Ordinary shares	100.00%	100.00%
Touchstone Learning & Skills Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Transfleet Distribution Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	20,000 Ordinary shares	100.00%	100.00%
Transfleet Truck Rentals Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.00%	100.00%
Tyneham Investments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	136 Ordinary shares	100.00%	100.00%
UKAEA Limited	C/O Babcock International Group PLC, 33 Wigmore Street, London, W1U 1QX, United Kingdom	15,050,000 Ordinary shares	100.00%	100.00%
Vosper ManTech Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	30,000 Ordinary-A shares, 20,000 Ordinary-B shares	100.00%	100.00%
Vosper Thornycroft (UK) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	23,391,575 Ordinary 20p shares	100.00%	100.00%
VT Communications GmbH	Mainzer Landstrasse 16, 60325, Frankfurt Am Main, Germany	25,000 Ordinary shares	100.00%	100.00%
VT Insurance Services Limited	St Martins House, Le Bording, St Peter Port, Guernsey	20,999,999 Ordinary shares	100.00%	100.00%
Westminster Education Consultants Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,000 Ordinary shares	100.00%	100.00%
World Helicopters Norway AS	c/o Norske Helikopterservice Flyplassvegen 214, Sola, 4055, Norway	155 Ordinary shares	100.00%	100.00%
WRN Facilities Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%

Babcock Holdings Limited

Notes to the financial statements *(continued)*

19 Restatement

The Company has restated its balance sheet for the year ended 31 March 2016 in order to reclassify preference shares receivable from Investments into Trade and other receivables.

31 March 2016	Previously reported	Restatement adjustment	Restated
Investments	6,537,468	(108,709)	6,428,759
Trade and other receivables – amounts falling due after more than one year	-	109,028	109,028
Trade and other receivables - amounts falling due within one year	934,206	(2,708)	931,498
Trade and other payables - amounts falling due after more one year	(730,466)	<u>2,358</u>	<u>(728,108)</u>

20 Immediate and ultimate parent undertakings

The Company's immediate parent company is Babcock (UK) Holdings Limited, a company registered in England and Wales. The Company's ultimate parent company and ultimate controlling party is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the Company are consolidated is that headed by Babcock International Group PLC.

Copies of Babcock International Group PLC Financial Statements are available from the following address:

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