

Company number 02961588

BABCOCK CAREERS GUIDANCE LIMITED

(formerly Careers Enterprise Limited)

FINANCIAL STATEMENTS

31 MARCH 2013

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COMPANIES HOUSE

COMPANY INFORMATION

DIRECTORS

G D Leeming
K R Thomas
S West

SECRETARY

N J W Borrett

REGISTERED OFFICE

33 Wigmore Street
London
W1U 1QX

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

BANKERS

Barclays Bank Plc
PO Box 3333
One Snowhill
Snow Hill Queensway
Birmingham
B3 2WN

DIRECTORS' REPORT

The directors submit their report and the financial statements for the year ended 31 March 2013. The company changed its name from Careers Enterprise Limited to Babcock Careers Guidance Limited on 21 August 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was the provision of careers services. During the year the activities of the company's subsidiary undertakings were transferred to the company. These activities were also in respect of the provision of careers services.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Key performance indicators:

	2013	2012
	£000	£000
		(Restated)
Turnover	13,058	10,259
Operating profit/(loss)	4,202	(1,345)

Turnover increased by 27% following the transfer in the year of the operating activities of subsidiary undertakings.

During the year the company transferred out its defined benefit pension scheme for £Nil consideration. This has resulted in an exceptional pension credit of £2,198,000 being recognised in the profit and loss account as an exceptional item before operating profit.

During the year the company continued to provide careers advisory services to both young people and adults through the remaining Connexions contracts and Adult Information and Guidance through the National Careers Service contracts (formerly Next Step) funded by the Skills Funding Agency.

The company's business is susceptible to changes in government policy, budget allocations and the changing political environment. The directors manage this risk by maintaining regular discussions with the government funding bodies.

On 1 October 2012, the company acquired the trade and assets of its two trading subsidiary undertakings, Babcock Careers Guidance (South) Limited and Guidance Services Limited, in order to rationalise the Group's corporate structure. On the same dates the company acquired part of the trade and assets of Babcock Careers Guidance (North) Limited though this subsidiary had minimal trade.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £3,788,000 (2012: £1,336,000 loss). The company is precluded from proposing a dividend in the current and prior year.

DIRECTORS

The following directors have held office since 1 April 2012 -

D L Arnold	(Resigned 31 July 2012)
D A Francis	(Resigned 31 July 2012)
C L Hartley	(Resigned 31 July 2012)
A P Khan	(Resigned 24 April 2012)
G D Leeming	
M P Sunderland	(Resigned 31 July 2012)
K R Thomas	
S West	

DIRECTORS' REPORT

EMPLOYMENT OF DISABLED PERSONS

Full and fair consideration is given to employment applications from disabled persons having regard to their particular aptitude and abilities. If an appropriate vacancy is available then, where practicable, arrangements will be made to continue the employment of an employee who becomes disabled. Disabled employees are given fair consideration for training, career development and promotion.

EMPLOYMENT POLICIES

The development of employee involvement in the Company's business is kept under regular review and the directors are committed to encouraging greater involvement of all employees. Formal and informal briefing of employees takes place as appropriate.

The Company takes all reasonable steps to ensure that all employment conditions are applied regardless of sex, race, colour, ethnic background, religion or disability.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



S West
Director

22 October 2013

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BABCOCK CAREERS GUIDANCE LIMITED (formerly Careers Enterprise Limited)

We have audited the financial statements (the 'financial statements') on pages 6 to 20. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

BAKER TILLY UK AUDIT LLP

CHRISTOPHER HURREN BA FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

23 OCTOBER 2013

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2013

	Notes	2013 £'000	2012 £'000 (Restated)
TURNOVER	1	13,058	10,259
Cost of sales		(10,830)	(8,419)
GROSS PROFIT		2,228	1,840
Net operating expenses	2	(2,774)	(3,185)
Exceptional items	3	4,748	-
OPERATING PROFIT/(LOSS)		4,202	(1,345)
Net interest receivable	4	206	362
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	4,408	(983)
Tax on profit/(loss) on ordinary activities	7	(620)	(353)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	15	3,788	(1,336)

The turnover and operating profit for the year relates to the company's continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 March 2013

	2013	2012
	£'000	£'000
Profit/(loss) for the financial year	3,788	(1,336)
Pension scheme movements		
Actual return less expected return on assets	10	(1,100)
Experience gains and losses on liabilities	(777)	(900)
Related deferred tax on actuarial movement	176	480
Total recognised gains and losses relating to the year	<u>3,197</u>	<u>(2,856)</u>

BALANCE SHEET (Company Registration Number. 02961588)
31 March 2013

	Notes	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible assets	8	-	-
Investments	9	-	-
		<u>-</u>	<u>-</u>
CURRENT ASSETS			
Debtors	10	10,383	1,282
Cash at bank and in hand		428	30
		<u>10,811</u>	<u>1,312</u>
CREDITORS			
Amounts falling due within one year	11	(6,060)	(6,404)
		<u>-</u>	<u>-</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,751	(5,092)
PROVISIONS FOR LIABILITIES	12	(1,002)	(488)
PENSION LIABILITY	18	-	(1,368)
NET ASSETS/(LIABILITIES)		<u>3,749</u>	<u>(6,948)</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	-
Share premium	14	7,499	-
Profit and loss account	14	(3,751)	(6,948)
SHAREHOLDER'S FUNDS/(DEFICIT)	15	<u>3,749</u>	<u>(6,948)</u>

The financial statements on pages 6 to 20 were approved by the board of directors and authorised for issue on 22 October 2013 and are signed on its behalf by



S West
Director

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

The accounts present information about the company as an individual undertaking and not about its group, as the company has taken advantage of the exemption provided by section 400 of the Companies Act 2006 not to prepare consolidated financial statements as it and its subsidiary undertakings are included in by full consolidation in the consolidated financial statements of its ultimate parent, Babcock International Group plc, a company incorporated and registered in England and Wales

GOING CONCERN

The directors have reviewed the cash flow forecasts of the company for a period of at least 12 months from the date of approval of these financial statements and consider that there is sufficient cash for the company to meet its external liabilities as they fall due for the foreseeable future. On this basis the directors feel it is appropriate to prepare the financial statements on a going concern basis

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost net of accumulated depreciation and any provision for impairment

Depreciation is provided on all tangible fixed assets on cost, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows

Furniture, fixtures and fittings	over 3 years
Computers	over 2 years
Leasehold improvements	over life of the lease

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable, or as otherwise required by relevant accounting standards

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairment losses are recognised in the profit and loss account

FIXED ASSET INVESTMENTS

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

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax is measured on a non-discounted basis

CASH FLOW STATEMENT

The company is exempt from the requirement to prepare a cash flow statement, as more than 90% of the voting rights are controlled within the group and consolidated financial statements in which the company is included are publicly available

ACCOUNTING POLICIES

LEASED ASSETS AND OBLIGATIONS

All leases are “operating leases” and the annual rentals are charged to the profit and loss on a straight line basis over the lease term

PENSIONS

The company operates two defined benefit pension schemes. The assets and liabilities of these defined benefit schemes were transferred to the company’s parent, Babcock Training Limited during the year for £Nil consideration. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected returns on assets are included within net interest receivable/(payable). The transfer has resulted in an exceptional credit to the profit and loss account (see note 3).

Actuarial gains and losses arising from new valuations and from updating valuations to the date of transfer of the scheme being 30 September 2012, are recognised in the Statement of Total Recognised Gains and Losses.

Defined benefit schemes are funded up to the date of transfer, the assets were held separately from the company in separate trustee administered funds. Full actuarial valuations, carried out by a professionally qualified actuary were obtained at least every three years, and updated to reflect current conditions at each balance sheet date up to the date of transfer. The pension scheme assets were measured at fair value. The pension scheme liabilities were measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme liability was recognised to the extent that the company had a legal or constructive obligation to settle the liability.

A pension scheme asset was recognised to the extent that the asset was no greater than the present value of liabilities expected to arise from future service by current and future scheme members less the value of future employee contributions.

The company also continues to operate defined contribution pension schemes where the amounts charged to the profit and loss account in respect of pension costs is the contributions payable for the year. Differences between contributions payable within the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

TURNOVER

Turnover is recognised at the fair value of the consideration receivable for sale of services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of services provided to external customers and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

1 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit/(loss) before taxation was derived from its principal activity, wholly undertaken in the United Kingdom

2 NET OPERATING EXPENSES

	2013 £'000	2012 £'000 (Restated)
Establishment expenses	581	372
Administrative expenses	2,193	2,813
	<u>2,774</u>	<u>3,185</u>

3 EXCEPTIONAL ITEMS

	2013 £'000	2012 £'000
Loan waiver	2,550	-
Exceptional pension credit	2,198	-
	<u>4,748</u>	<u>-</u>

During the year, as part of the change in ownership, it was agreed that a loan of £1.25m from Enterprise Holding Company No 1 Limited, and a loan of £1.3m from Babcock Careers Management Limited, would be waived

Also during the year, the company transferred its defined benefit scheme to Babcock Training Limited for £Nil consideration. This has resulted in an exceptional pension credit to the profit and loss account and the write off of the related deferred tax asset (see note 7)

4 NET INTEREST RECEIVABLE

	2013 £'000	2012 £'000 (Restated)
Interest receivable		
Interest on bank deposits	6	-
Expected rate of return on pension scheme asset	500	1,078
	<u>506</u>	<u>1,078</u>
Interest payable		
On bank loans and overdraft	-	(16)
Interest on pension liabilities	(300)	(700)
	<u>(300)</u>	<u>(716)</u>
Net interest receivable	<u>206</u>	<u>362</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

	2013 £'000	2012 £'000
5 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit/(loss) on ordinary activities before taxation is stated after charging		
Depreciation of tangible fixed assets		
Owned assets	7	-
Operating lease rentals		
Plant and machinery	31	6
Land and buildings	200	102
Auditor's remuneration		
Payable to Baker Tilly UK Audit LLP	22	22
Payable to Baker Tilly Tax and Accounting Limited		
- other services	5	5
	<u>=====</u>	<u>=====</u>

The directors have reviewed the allocation of subcontractor expenses and irrecoverable VAT and consider that a more true and fair view is presented by classifying subcontractor expenses in cost of sales rather than administrative expenses, and including irrecoverable VAT in administrative expenses rather than interest payable for the year ended 31 March 2013

Following this, and in accordance with FRS28 Corresponding Amounts, the comparative figures for the year ended 31 March 2012 have been presented on a consistent basis with those in the year ended 31 March 2013 resulting in amendments in 2012 to increase cost of sales by £2,467,000, decrease interest payable by £434,000, and therefore decrease administrative expense by £2,033,000. This change in allocation is confined to the profit and loss account and had no impact on the result for the year ended 31 March 2012 or opening reserves as at 1 April 2011

6 EMPLOYEES

The average monthly number of persons (including directors) employed by the Company during the year was	No	No.
Management	-	18
Administration	17	29
Careers advisers	217	143
	<u>234</u>	<u>190</u>
	<u>=====</u>	<u>=====</u>
	£'000	£'000
Staff costs for the above persons		
Wages and salaries	5,609	4,120
Social security costs	565	432
Other pension costs (note 18)	368	88
	<u>6,542</u>	<u>4,640</u>
	<u>=====</u>	<u>=====</u>

No director received any remuneration from the company during the current or prior year

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

7	TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	2013 £'000	2012 £'000
	Current tax		
	UK corporation tax	-	-
	Total current tax	-	-
	Deferred tax		
	Deferred tax adjustment for prior periods	-	94
	Deferred tax charge/(credit)	5	(1)
	Effects of changes in tax rates and laws	6	5
	Timing differences arising on pension schemes	103	255
	Deferred tax charge relation to pension scheme transfer (note 3)	506	-
	Total deferred tax	620	353
	Total tax on profit/(loss) on ordinary activities	620	353
	Factors affecting tax charge for the year		
	The tax assessed for the year varies from the standard rate of corporation tax 24% (2012 26%) as explained below		
	Profit/(loss) on ordinary activities before tax	4,408	(983)
	Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax 24% (2012 26%)	1,058	(256)
	Effects of		
	Expenses not deductible for tax purposes	2	7
	Capital allowances in excess of depreciation	(8)	2
	Other timing differences	(40)	-
	Tax losses (utilised or transferred in)/created	(160)	506
	Non-taxable income	(852)	(259)
	Current tax charge for the year	-	-

The company has estimated tax losses of £4,418,213 (2012 £4,771,713) available to carry forward against future trading profits. No provision for deferred tax has been recognised in respect of the tax losses carried forward due to the uncertainty of their recovery in future periods. The total amount unprovided for is £1,016,189 (2012 £1,145,211).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

8 TANGIBLE FIXED ASSETS

	Furniture, fixtures and fittings £'000	Leasehold improvements £'000	TOTAL £'000
Cost			
At 1 April 2012	25	-	25
Transfer from group	-	7	7
Disposals	-	(7)	(7)
At 31 March 2013	25	-	25
Depreciation			
1 April 2012	25	-	25
Charge in the year	-	7	7
Disposals	-	(7)	(7)
31 March 2013	25	-	25
Net book value			
31 March 2013	-	-	-
31 March 2012	-	-	-

9 FIXED ASSETS INVESTMENTS

Investments in subsidiary undertakings

**Investments in
subsidiary
undertakings
£'000**

Cost	
1 April 2012 and 31 March 2013	2,764
Provisions for impairment	
1 April 2012 and 31 March 2013	2,764
Net book value	
31 March 2012 and 31 March 2013	-

The Company has an interest in the ordinary share capital of the following companies all of whom are incorporated in England and Wales and whose principal activity was the provision of careers services. During the year all subsidiaries, other than Capital Careers Limited, transferred their trade and assets to the company. This means all subsidiaries effectively have no trade at the year end and are winding down.

	Proportion directly held	Class of holding
Babcock Careers Guidance (North) Limited (formerly Guidance Enterprises Group Limited)	100%	Ordinary
Babcock Careers Guidance (South) Limited (formerly Careers Enterprise (Futures) Limited)	100%	Ordinary
Guidance Services Limited*	100%	Ordinary
Capital Careers Limited*	88.25%	Ordinary

* owned by Babcock Careers Guidance (North) Limited (formerly Guidance Enterprises Group Limited)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

10	DEBTORS	2013	2012
		£'000	£'000
	Due within one year		
	Trade debtors	538	2
	Amounts owed by group undertakings	8,255	474
	Amounts owed by related parties	129	6
	Other debtors	24	2
	Prepayments and accrued income	1,215	736
		<u>10,161</u>	<u>1,220</u>
	Due in more than one year		
	Deferred tax asset	222	62
		<u>10,383</u>	<u>1,282</u>
		<u><u>10,383</u></u>	<u><u>1,282</u></u>
	A deferred tax asset is made up as follows		
		2013	2012
		£'000	£'000
	Accelerated capital allowances	217	59
	Short term timing differences	5	3
		<u>222</u>	<u>62</u>
		<u><u>222</u></u>	<u><u>62</u></u>
	At 1 April	62	160
	Deferred tax charge	(11)	(98)
	Transferred from group	171	-
	At 31 March	<u>222</u>	<u>62</u>
		<u><u>222</u></u>	<u><u>62</u></u>
11	CREDITORS	2013	2012
		£'000	£'000
	Amounts falling due within one year		
	Bank overdraft	489	487
	Trade creditors	104	512
	Amounts owed to group undertakings	137	170
	Amounts owed to related parties	-	1,207
	Other taxation and social security costs	370	87
	Other creditors	1,023	986
	Accruals and deferred income	3,937	2,955
		<u>6,060</u>	<u>6,404</u>
		<u><u>6,060</u></u>	<u><u>6,404</u></u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

12 PROVISIONS FOR LIABILITIES

Provision for liabilities and charges is made up as follows

	2013			2012		
	Dilapidations	Other	TOTAL	Dilapidations	Other	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 April	488	-	488	54	1,162	1,216
Transfer from profit and loss	117	112	229	434	-	434
Transferred from group	384	-	384	-	-	-
Utilised in the year	(99)	-	(99)	-	(1,162)	(1,162)
At 31 March	<u>890</u>	<u>112</u>	<u>1,002</u>	<u>488</u>	<u>-</u>	<u>488</u>

Dilapidations

Provision is made for commitments under operating leases where the liability can be reasonably estimated and quantified by third party values. Such costs are generally incurred within a three year period.

Other

Provisions are made to cover costs to be incurred in respect of committed programmes for reorganisation and redundancy and to cover costs of loss making contracts.

13 SHARE CAPITAL	2013	2012
	£	£
Allotted, issued and fully paid		
550 (2012: 50) "A" ordinary shares of £1 each	550	50
550 (2012: 50) "B" ordinary shares of £1 each	550	50
	<u>1,100</u>	<u>100</u>

The "A" and "B" ordinary shares rank pari passu in all respects.

During the year the company issued 500 "A" and 500 "B" ordinary shares of £1 each for total consideration of £7,500,000.

14 STATEMENT OF MOVEMENT ON RESERVES

	Share premium	Profit and loss account	Total
	£'000	£'000	£'000
At 1 April 2012	-	(6,948)	(6,948)
Premium on shares issued during year	7,499	-	7,499
Profit for year	-	3,788	3,788
Other recognised gains and losses for year	-	(591)	(591)
At 31 March 2013	<u>7,499</u>	<u>(3,751)</u>	<u>3,748</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

15	RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S SURPLUS/(DEFICIT)	2013 £'000	2012 £'000
	Profit/(loss) for the year	3,788	(1,336)
	Net pension movements	(591)	(1,520)
	Proceeds from issue of shares	7,500	-
	Net addition/(depletion) to shareholder's deficit	10,697	(2,856)
	Opening shareholder's deficit	(6,948)	(4,092)
	Closing shareholder's surplus/(deficit)	3,749	(6,948)
16	COMMITMENTS UNDER OPERATING LEASES	2013 £'000	2012 £'000
	At 31 March the Company had annual commitments under non-cancellable operating leases as follows		
	Land and buildings		
	expiring within 1 year	17	33
	expiring between 2 and 5 years	41	42
		58	75
	Other		
	expiring within 1 year	2	5
	expiring between 2 and 5 years	19	-
		21	5

17 CONTINGENT LIABILITIES

The company entered into an arrangement with the other members of the Babcock Careers Guidance Group to pool cash resources making each group company contingently liable for any overdrawn balances in the other group companies. At 31 March 2013, the total of overdrawn balances across the group was £513,515 (2012 £762,000)

During the year, the company became part of the Babcock Training Limited VAT group. As a result, the company is joint and severally liable for any VAT creditor due. At the year end, the total due by the VAT group is £2,630,061

18 PENSION COMMITMENTS

Babcock Careers Guidance Limited operated two defined benefit schemes as follows

- Careers Enterprise Limited Scheme ("CEL") as part of the Citrus Pension plan
- Careers Enterprise (Futures) Limited ("Futures") as part of the Citrus Pension plan

The Company participated in the superannuation arrangements of the Citrus Pension plan, which is a centralised defined benefit scheme for certain employees, with the assets held in separate trustee-administered funds

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

18 PENSION COMMITMENTS (Continued)

As at 30 September 2012 the assets and liabilities of the defined benefit scheme were transferred to the parent company, Babcock Training Limited for £Nil consideration (see note 3)

FRS17 Disclosure

The scheme is subject to triennial valuation by professionally qualified and independent actuaries. The valuation used has been based on projecting forward, on an appropriate basis, the results of the 31 March 2010 valuation and has taken into account the requirement of FRS17

The valuation was used to assess the liabilities of the scheme at the date of the group transfer, 30 September 2012. Scheme assets are also stated at their market value at 30 September 2012

**Main assumptions
for FRS17 purposes**

	2013	2012	2011
	%	%	%
Rate of increase in salaries	2.10	2.45	3.25
Rate of increase in pensions in payment	2.45	2.50	2.50
Discount rate	4.43	4.85	5.60
Inflation assumption	1.80	2.15	2.75
Long term return on equities	N/A	8.40	8.70
Long term return on Corporate bonds	N/A	4.85	4.35
Long term return on government bonds	N/A	3.15	5.60
Long term return on cash	N/A	0.50	0.50

The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment properties. Expected yields are based on gross redemption yields at the balance sheet date whilst the expected returns on the equity and property investment reflect the long-term real rates of return experienced in respective markets

Changes in the present value of the defined benefit obligation

	2013	2012
	£'000	£'000
Opening defined benefit obligation	13,600	13,119
Current service cost	22	81
Interest cost	300	700
Contributions by scheme participants	1	-
Actuarial losses	777	900
Benefits paid	(291)	(1,200)
Transferred to group at 30 September 2012	(14,409)	-
	-	13,600

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

18 PENSION COMMITMENTS (Continued)

Changes in the fair value of plan assets

	2013	2012
	£'000	£'000
Opening plan assets	11,800	12,322
Expected return	500	1,078
Actuarial gains/(losses)	10	(1,100)
Contributions by employer	191	700
Contributions by scheme participants	1	-
Benefits paid	(291)	(1,200)
Transferred to group at 30 September 2012	(12,211)	-
	<u>-</u>	<u>11,800</u>
	<u><u>-</u></u>	<u><u>11,800</u></u>
	2013	2012
	£'000	£'000
Present value of funded obligation	(14,409)	(13,600)
Fair value of plan assets	12,211	11,800
Deficit	(2,198)	(1,800)
Related deferred tax asset	506	432
Written off on transfer of pension scheme (see note 7)	(506)	-
Transferred to group at 30 September 2012	2,198	-
	<u>-</u>	<u>(1,368)</u>
	<u><u>-</u></u>	<u><u>(1,368)</u></u>

Major categories of plan assets as a percentage of fair value of total plan assets

	30 September	31 March
	2012	2012
Equities	95%	95%
Other	5%	5%
	<u><u>5%</u></u>	<u><u>5%</u></u>

History of experience gains and losses

	2013	2012	2011	2010	2009
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(14,409)	(13,600)	(13,119)	(16,029)	(9,879)
Plan assets	12,211	11,800	12,322	11,411	8,515
Transferred to group at 30 September 2012	2,198	-	-	-	-
	<u>-</u>	<u>(1,800)</u>	<u>(797)</u>	<u>(4,618)</u>	<u>(1,364)</u>
	<u><u>-</u></u>	<u><u>(1,800)</u></u>	<u><u>(797)</u></u>	<u><u>(4,618)</u></u>	<u><u>(1,364)</u></u>
Experience adjustments on scheme liabilities	777	900	(3,803)	5,949	(917)
	<u>777</u>	<u>900</u>	<u>(3,803)</u>	<u>5,949</u>	<u>(917)</u>
Experience adjustments on scheme assets	10	(1,100)	108	2,499	(3,311)
	<u>10</u>	<u>(1,100)</u>	<u>108</u>	<u>2,499</u>	<u>(3,311)</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

18 PENSION COMMITMENTS (Continued)

The transfers of the pension scheme has relieved the company of any further liability in relation to the defined benefit pension schemes

The company also operates various defined contribution SIPS money purchase pension schemes. The contributions for the year were £126,000 (2012 £94,000) £13,245 (2012 £5,598) was payable at the year end and is included in other creditors

19 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by FRS 8 not to disclose transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is a wholly owned member of the group

The company made sales to and purchases from Capital Careers Limited of £Nil and £Nil (2012 £496 and £9,600) respectively. At the year end, and included in amounts owed by group undertakings, £34,389 (2012 £114,520) is due from Capital Careers Limited

During the year the company has also entered into transactions in the ordinary course of business with other related parties, related by virtue of common ultimate ownership, as follows (£'000)

	Sales to	Purchases from	Amounts owed from	Amounts due to
Surrey Careers Services Limited				
2013	-	65	-	-
2012	-	213	1	33
Babcock West Sussex Careers Limited				
2013	-	7	-	-
2012	1	86	-	4
Babcock 4S Limited				
2013	20	30	4	-
2012	-	5	-	57
Careers Yorkshire & The Humber Limited				
2013	566	-	129	-
2012	-	-	-	-
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

20 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

Babcock Careers Guidance Limited was a Joint venture entity formerly controlled by Babcock Southern Holdings Limited and Enterprise Holding Company No 1 Limited

During the year, the company became a wholly owned subsidiary of Babcock Training Limited, a company registered in England and Wales. Babcock Training Limited is the immediate parent company

The ultimate parent company and controlling party is now Babcock International Group plc. Babcock International Group plc is the smallest and largest group for which consolidated accounts including Babcock Careers Guidance Limited are prepared. The consolidated accounts for Babcock International Group plc may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ