

Babcock Careers Guidance Limited

Annual Report

For the year ended 31 March 2017

Company registration number:

02961588



Babcock Careers Guidance Limited

Directors and advisors

Current directors

S West

R H Taylor

Company secretary

N J W Borrett

Registered office

33 Wigmore Street

London

W1U 1QX

Independent auditors

RSM UK Audit LLP

Chartered Accountants

3rd Floor

One London Square

Cross Lanes

Guildford

Surrey

GU1 1UN

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.

Principal activities

The principal activity of the Company was the provision of careers services.

Results and Dividends

The results for the year are set out on page 6.

The directors do not propose a dividend in the current year (2016: nil).

Future developments

The company is not expected to trade again in the future.

Directors

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

S West

R H Taylor (appointed 1 July 2016)

G D Leeming (resigned 1 July 2016)

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements 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.

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 directors of the Company and other companies within the Group. These indemnities came into force in 2012 and remain in force.

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.

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

Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office and a resolution to reappoint them will be proposed in the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The directors have also taken advantage of the small companies exemption from the requirement to prepare a strategic report.

On behalf of the board

A handwritten signature in black ink, appearing to read 'S West', with a horizontal line underneath.

S West
Director
15 December 2017

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with UK Accounting Standards and applicable law - UK Generally Accepted Accounting Practice ("UK GAAP"), including FRS 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. In preparing these financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. notify the Company's shareholders in writing about the use of disclosure exemptions of FRS 101 used in the preparation of the financial statements;
- d. state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- e. notify the Company's shareholders in writing about the use of the disclosure exemptions in FRS 101 in the preparation of the financial statements; and
- f. 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Babcock Careers Guidance Limited
Opinion on financial statements

We have audited the financial statements on pages 6 to 17. 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 our opinion 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 loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the provisions of the Companies Act 2006.

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/auditscopeukprivate>

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 and, based on the work undertaken in the course of our audit, the Directors' Report has been prepared in accordance with applicable legal requirement.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

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.



CHRISTOPHER HURREN BA FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor Chartered Accountants

3rd Floor, One London Square,

Cross Lanes, Guildford,

GU1 1UN

18 December 2017

Income statement and Statement of other comprehensive income
for the year ended 31 March 2017

	Note	2017 £000	2016 £000
Revenue	3	-	495
Cost of sales		-	55
		<hr/>	<hr/>
Gross profit		-	550
Administrative expenses		-	47
		<hr/>	<hr/>
Operating profit	5	-	597
Income from shares in group undertakings		-	-
		<hr/>	<hr/>
Profit on ordinary activities before interest and taxation		-	597
Finance costs	4	(4)	(9)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before income tax		(4)	588
Income tax expense	7	-	-
		<hr/>	<hr/>
(Loss)/profit and total comprehensive income for the year		(4)	588
		<hr/>	<hr/>

Statement of financial position
as at 31 March 2017

	Note	2017 £000	2016 £000
Current assets			
Trade and other receivables	9	6,029	7,500
		6,029	7,500
Trade and other payables – amounts falling due within one year	10	(166)	(1,633)
Net current assets		5,863	5,867
Total assets less current liabilities		5,863	5,867
Net assets		5,863	5,867
Equity			
Called up share capital	11	1	1
Share premium	12	7,499	7,499
Retained earnings	12	(1,637)	(1,633)
Total shareholders funds		5,863	5,867

The financial statements on pages 6 to 17 were approved by the board of directors and signed on its behalf by:



S West
Director
15 December 2017

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

	Called-up share capital £000	Share premium £000	Retained earnings £000	Total £000
Balance at 1 April 2015	1	7,499	(2,221)	5,279
Profit for the year	-	-	588	588
Balance at 31 March 2016	1	7,499	(1,633)	5,867
Loss for the year	-	-	(4)	(4)
Balance at 31 March 2017	1	7,499	(1,637)	5,863

Notes to the financial statements**1 General information**

Babcock Careers Guidance Limited is a private company limited by shares 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 principle 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. The Company has adopted FRS 101 in these financial statements.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

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. There were no areas involving a higher degree of judgement or complexity or areas where significant assumptions and estimates were made in the preparation of these financial statements.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- a) Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments.
- b) The requirement to disclose information relating to the company's objectives and policies and processes for managing capital.
- c) The requirement to publish a Statement of Cash Flows.
- d) The requirement to disclose the future impact of a new IFRS in issue but not effective at the reporting date.
- e) The requirement to disclose compensation for key management between short term employee benefits, post-employment benefits and other long term benefits.
- f) The requirement to disclose related party transactions entered into between two or more, wholly owned members of a group.
- g) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Where relevant, equivalent disclosures have been given in the group accounts of Babcock International Group PLC. The group accounts of Babcock International Group PLC are available to the public and can be obtained as set out in note 15.

Notes to the financial statements

2 Summary of significant accounting policies *(continued)*

Going Concern

These financial statements are prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006. The Directors consider that while the Company is not expected to trade again in the future, given the amounts due owed by group undertakings which are repayable on demand (note 9), the Company will be able to meet its external liabilities as they fall due. Accordingly the Directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

Consolidation Exemption

The Company is a wholly owned subsidiary of Babcock Training Limited and of its ultimate parent, Babcock International Group PLC. It is included in the consolidated financial statements of Babcock International Group PLC which are publicly available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of services

Revenue from services rendered is recognised by reference to the stage of completion of the transaction measured by the costs incurred against the total cost to complete. Revenue from services provided on a short-term or one-off basis is recognised when the service is complete.

Any expected loss on a contract is recognised immediately in the income statement.

Investments

Fixed asset investments are investments in group undertakings and 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.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Notes to the financial statements

2 Summary of significant accounting policies *(continued)*

Financial assets *(continued)*

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements

2 Summary of significant accounting policies *(continued)*

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Provisions for liabilities

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate discount rate.

Notes to the financial statements**3 Revenue**

Revenue is wholly attributable to the principal activities of the Company and arises as follows:

	2017	2016
	£000	£000
By area of activity:		
Rendering of services	-	495
	-	495

Revenue in the prior year has arisen from the release of provisions made in prior years.
All the revenue shown originated in the United Kingdom.

4 Finance costs

	2017	2016
	£000	£000
Finance expenses:		
Bank interest	(4)	(9)
	(4)	(9)

5 Operating (loss)/profit

Operating profit is stated after charging:

	2017	2016
	£000	£000
Audit fees	-	16

Current year audit fees are paid on the Company's behalf by another member of the Babcock group with no recharge.

6 Staff costs

The Company had no employees during the year (2016: none).

Notes to the financial statements**7 Income tax**

Tax expense included in income statement

	2017 £000	2016 £000
Current tax:		
UK Corporation tax on profits for the year	-	-
Current tax charge for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax charge	-	-
Total tax charge for the year	-	-

Tax expense for the year is higher (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
(Loss)/profit on ordinary activities before taxation	(4)	588
(Loss)/profit on ordinary activities multiplied by standard UK corporation tax rate of 20% (2016: 20%)	(1)	118
Effects of:		
Tax losses (utilised)	-	(118)
Transfer pricing adjustments	-	(3)
Group relief surrendered for nil consideration	1	3
Total tax charge for the year	-	-

In the UK 2015 Budget it was announced that the UK corporation tax rate will reduce to 19% for April 2017. It was announced in the 2016 UK Budget that it will be further reduced to 18% from April 2020. It was subsequently announced in 2017 UK Budget that it will be reduced to 17% from April 2020. As a result of this change, UK deferred tax balances have been re-measured at 17% as this is the tax rate that will apply on reversal.

Babcock Careers Guidance Limited

Notes to the financial statements

8 Investments

	Shares in group undertakings £000
Cost	
At 1 April 2016 and 31 March 2017	2,764
Provisions at 1 April 2016 and 31 March 2017	(2,764)
Carrying amount at 31 March	-

All related undertakings for the Company are as listed below:

Company Name	Description	Interest%
Babcock Assessments Limited	Ordinary shares	100.0%
(formerly Babcock Careers Guidance (North) Limited)		
Babcock Careers Guidance (South) Limited	Ordinary shares	100.0%
Guidance Services Limited*	Ordinary shares	100.0%
Capital Careers Limited	Ordinary shares	88.25%

* Owned by Babcock Assessments Limited

All the companies above are dormant companies with the exception of Capital Careers Limited whose principal activity was the provision of careers advice and guidance services.

All the above companies are registered at 33 Wigmore Street, London, W1U 1QX, United Kingdom.

9 Trade and other receivables

	2017 £000	2016 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	6,029	7,500
	6,029	7,500

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

Notes to the financial statements**10 Trade and other payables**

	2017	2016
	£000	£000
Amounts falling due within one year:		
Bank overdrafts	-	472
Amounts owed to parent and group undertakings	166	166
Amounts owed to related party undertakings	-	995
	166	1,633

Amounts owed to parent and group undertakings are unsecured, interest free and repayable on demand.

11 Called up share capital

	2017	2016
	£000	£000
Allotted and fully paid		
1,050 "A" ordinary shares of £1 each (2016: 1,050)	1	1
50 deferred shares of £1 each (2016: 50)	-	-
	1	1

Ordinary share rights

The holders of the company's ordinary shares, which carry no right to fixed income, are entitled to one vote at general meetings of the company. Upon the distribution of capital, each holder is entitled to receive a payment of £100,000,000 in respect of each of its ordinary shares, in priority to deferred shareholders. There are no rights to redemption attached to ordinary shares.

Deferred share rights

The holders of the company's deferred shares are not entitled to receive any notice of, attend or vote at any general meeting. Upon the distribution of capital, each holder is entitled to receive a payment £1 in respect of each of its deferred shares, after a repayment to ordinary shareholders. There are no rights to redemption attached to deferred shares.

12 Reserves*Called-up share capital*

Represents the nominal value of shares that have been issued.

Share premium account

Consideration received for shares issued above their nominal value, net of transaction costs.

Profit and loss account

Represents all current and prior period retained profits and losses.

Notes to the financial statements

13 Guarantees and financial commitments

Contingent liabilities

The company is a member of a wider Babcock VAT group, and as a result is jointly and severally liable with the other members for the VAT liability of the group. At 31 March 2017 the accrued VAT liability of the group was £1,738,421 (2016: £1,796,024).

14 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.

The company has amounts payable to Capital Careers Limited at the year end of £Nil (2016: £995,000), a company that is a related party by virtue of common control.

All dealings with related parties noted above arise in the normal course of business and are subject to normal terms and conditions.

15 Ultimate parent undertaking

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

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

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