
Babcock Southern Careers Limited

Annual report and financial statements

For the year ended 31 March 2015

Company registration number:

03007083

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The directors present their strategic report on the company for the year ended 31 March 2015.

Principal activities

The principal activity of the company was the provision of careers advice and related services. The company is not expecting to trade again in the future.

Review of the business

On 22 June 2011 the company's sole contract ended and trading in the company ceased. The company is not expecting to trade again in the future.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Babcock International Group PLC, which include those of the company, are discussed on page 64 of the group's annual report which does not form part of this report.

Financial risk management

Information on the Financial Risk Management of the company can be found in the Directors' report.

By order of the Board on 24 July 2015



GD Leeming
Director

The directors present their report and the audited financial statements of the company for the year ended 31 March 2015.

Results

The company's results for the year are set out in the profit and loss account on page 6 showing a profit for the financial year after tax of £nil (2014: £nil). At 31 March 2015 the company had net assets of £20,000 (2014: £20,000).

The Directors have reviewed the company's available resources and consider that the company has adequate resources to continue in existence for a period of at least 12 months following the date of approval of these financial statements. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

Future Developments

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

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes to credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors of Babcock International Group PLC ("Babcock") are managed by the group finance department. The Babcock group has a policy and procedures manual that sets out guidelines to allow it to manage financial risks and this is applied by the company.

Credit risk

The company no longer trades and therefore is no longer exposed to credit risk.

Liquidity risk

The company also has access to longer term funding from its ultimate parent undertaking if required.

Interest rate cash flow risk

The company no longer has interest bearing assets in the form of cash balances and therefore is no longer exposed to interest rate cash flow risk.

Directors of the company

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

GD Leeming
F Martinelli

Qualifying third party indemnity provisions

Under the company's respective Articles of Association, the directors of the company are, and were during the year to 31 March 2015, entitled to be indemnified by the company against liabilities and costs incurred in connection with the execution of their duties or the exercise of their powers, to the extent permitted by the Companies Act 2006.

Statement of directors' responsibilities in respect of the annual report and financial statements

The directors are responsible for preparing the Strategic report, 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 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:

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

Disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) 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.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. The company has dispensed with the requirement for an Annual General Meeting and the need to appoint auditors annually.

By order of the Board on 24 July 2015


GD Leeming
Director

Report on the financial statements

Our opinion

In our opinion, Babcock Southern Careers 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 2015 and of its result 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 comprise:

- the Balance sheet as at 31 March 2015;
- the Profit and loss account 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 the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, 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 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.

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 set out on page 3, 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 & 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, 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 and Financial Statements 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.



Sarah Harrison (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton, United Kingdom
24 July 2015

Babcock Southern Careers Limited**Profit and loss account****For the year ended 31 March 2015**

| | Note | 2015 £'000 | 2014 £'000 |
|---|------|---------------|---------------|
| Administrative expenses | | - | - |
| Operating result | | - | - |
| Profit on ordinary activities before taxation | | - | - |
| Tax on result on ordinary activities | 3 | - | - |
| Result for the financial year | 7 | - | - |

There are no recognised gains or losses other than the result (*2014: result*) for the year reported above. There is also no difference between the result (*2014: result*) on ordinary activities before taxation for the financial years stated above.

All amounts relate to discontinued operations.

Balance Sheet

For the year ended 31 March 2015

| | Note | 2015 £'000 | 2014 £'000 |
|--|------|---------------|---------------|
| Current assets | | | |
| Debtors | 4 | 20 | 93 |
| | | 20 | 93 |
| Creditors – amounts falling due within one year | 5 | - | (73) |
| Net current assets | | 20 | 20 |
| Total assets less current liabilities | | 20 | 20 |
| Net assets | | 20 | 20 |
| Capital and reserves | | | |
| Called-up share capital | 6 | 20 | 20 |
| Profit and loss account | 7 | - | - |
| Total shareholders' funds | 7 | 20 | 20 |

The financial statements on pages 6-11 were approved by the board of directors and signed on its behalf by:



GD Leeming
Director
24 July 2015

1. Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Directors have reviewed the company's available resources and consider that the company has adequate resources to continue in existence for a period of at least 12 months following the date of approval of these financial statements. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

The principal accounting policies are summarised below, all of which have all been applied consistently throughout the year.

Under Financial Reporting Standard 1 (1996 Revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. In addition, advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Babcock International Group PLC or other group undertakings as the consolidated financial statements of Babcock International Group PLC in which the company is included are publicly available.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items and accounting purposes. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19. Deferred taxation assets are recognised only to the extent that in the opinion of the directors, there is a reasonable probability that the asset will crystallise in the foreseeable future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Turnover

There is no turnover in either year. Turnover was previously attributable to the United Kingdom market and to the activities described in the Directors' report.

3. Tax on result on ordinary activities

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Current tax | | |
| UK Corporation tax on result of the year | - | - |
| Current tax charge for the year | - | - |
| Deferred tax: | | |
| Origination and reversal of timing differences | - | - |
| Adjustments in respect of deferred tax for prior years | - | - |
| Tax on ordinary activities | - | - |

Factors affecting the tax charge for the year

The tax assessed for the year is equal (2014: *equal*) to the standard effective rate of corporation tax in the UK for the year ended 31 March 2015 of 21% (2014: 23%). The differences are explained below:

| | 2015 £'000 | 2014 £'000 |
|---|---------------|---------------|
| Result on ordinary activities before taxation | - | - |
| Tax on result on ordinary activities at standard UK corporation tax rate of 21% (2014: 23%) | - | - |
| Effects of: | | |
| Timing differences | - | - |
| Group relief for nil consideration | - | - |
| Current tax charge for the year | - | - |

4. Debtors

| | 2015 £'000 | 2014 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | 20 | 93 |
| | 20 | 93 |

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

5. Creditors – amounts falling due within one year

| | 2015 £'000 | 2014 £'000 |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | - | 73 |
| | - | 73 |

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

6. Called-up share capital

| | 2015 £'000 | 2014 £'000 |
|--|---------------|---------------|
| Allotted, issued and fully paid | | |
| 15,020 (2014: 15,020) "A" ordinary shares of £1 each | 15 | 15 |
| 3,980 (2014: 3,980) "B" ordinary shares of £1 each | 4 | 4 |
| 1,000 (2014: 1,000) "C" ordinary shares of £1 each | 1 | 1 |
| | 20 | 20 |

All dividends which shall be declared and distributed shall, for such period as shares in the capital of the company are split between A shares, B shares and C shares be declared and distributed so that:

- the holders of the A shares shall be entitled to receive, in aggregate, 47.5% of the dividends; and
- the holders of the B shares shall be entitled to receive, in aggregate 47.5% of the dividends; and
- the holders of the C shares shall be entitled to receive, in aggregate, 5% of the dividends.

The dividends payable to the holders of the A shares, B shares and C shares respectively shall be paid pro-rata according to the percentage their holding of shares of the respective class bears to the aggregate number of shares of that class in issue.

All three classes of share capital have the same rights and are equally ranked upon winding up of the company.

7. Reconciliation of movements in shareholders' funds and reserves

| | Called up share capital £'000 | Profit and loss account £'000 | Total £'000 |
|-------------------------------|-------------------------------------|-------------------------------------|----------------|
| At 1 April 2014 | 20 | - | 20 |
| Result for the financial year | - | - | - |
| At 31 March 2015 | 20 | - | 20 |

8. 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 2015 the VAT liability of the group was £1,707,950 (2014: £1,403,712).

9. Profit on ordinary activities before taxation

There were no employees in the year (2014: none)

None of the Directors received remuneration from the company during the year ended 31 March 2015 (2014: none). All of the directors of the company are subject to service agreements with, and are remunerated by, other group or related companies. It is not possible to make an accurate apportionment of their emoluments relating to services provided to the company.

The auditors' remuneration for the current year has been borne by a fellow group company. No fees are paid to PricewaterhouseCoopers LLP in respect of this company other than the statutory audit of the company. Fees for other services provided by the auditor to the group of companies are disclosed on a consolidated basis in the financial statements of Babcock International Group PLC.

10. Related party disclosures

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 'Related Party Disclosures' and has not disclosed transactions with fellow group undertakings where 100% of the voting rights are controlled within the group and consolidated financial statements in which the company is included are publicly available.

11. Ultimate parent undertaking

The company's immediate parent company is Babcock International Support Services 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