

# **Babcock Power Maintenance Limited**

## **Annual report and financial statements**

**For the year ended 31 March 2012**

**Company registration number:**

**03141789**

FRIDAY



\*A1LUMQMP\*

A21

16/11/2012

#267

COMPANIES HOUSE

**Directors**

A N Dungate  
K R Thomas  
A Moore  
F Martinelli  
G Leeming  
J McGrath  
N J W Borrett

**Company Secretary**

N J W Borrett

**Registered office**

33 Wigmore Street  
London  
W1U 1QX

**Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Donnington Court  
Pegasus Business Park  
Castle Donnington  
East Midlands  
DE74 2UZ

The directors present the audited financial statements of the Company, for the year ended 31 March 2012. This report has been prepared in accordance with special provisions relating to small companies within part 15 of companies act of 2006

**Principal activities**

The company provides products and specialist servicing and support to Uninterruptible Power Supply (UPS) systems and standby Power Plant

The company ceased trading on 31 March 2012

**Results and dividends**

Turnover for the year was £702,000 (2011 - £823,000). The company made a (Loss) after tax of £27,000 (2011 – profit of £21,000)

No dividends were declared or paid in the current year (2011 - £Nil)

**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

A N Dungate

K R Thomas

A Moore

F Martinelli

G Leeming

J McGrath

V Teller - Resigned 27 July 2012

N J W Borrett - Appointed 27 July 2012

**Political and charitable donations**

There were no charitable donations or political contributions during the year (2011. £nil).

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

The directors are responsible for preparing the annual 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 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
- 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditors and the disclosure of information**

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.

**Reappointment of auditors**

A resolution proposing to reappoint PricewaterhouseCoopers LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board 9<sup>th</sup> October 2012



J McGrath  
Director

**Independent Auditors Report to the members of Babcock Power Maintenance Limited**

---

**Independent auditors' report to the members of Babcock Power Maintenance Limited**

We have audited the financial statements of Babcock Power Maintenance Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

**Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement 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). 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.

**Scope of the audit of the financial statements**

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. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 2012 and of its loss 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.

**Independent Auditors Report to the members of Babcock Power Maintenance Limited**

---

**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, 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
- the directors were not entitled to prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the directors' Report



Phil Harrold (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Donnington Court  
Pegasus Business Park  
Castle Donnington  
East Midlands, United Kingdom  
DE74 2UZ

/ / October 2012

**Babcock Power Maintenance Limited****Profit and loss account****For the year ended 31 March 2012**

	Notes	2012 £'000	2011 £'000
Turnover	2	702	823
Cost of sales		<u>(700)</u>	<u>(636)</u>
Gross profit		2	187
Distribution expenses		(124)	(125)
Administrative expenses		<u>78</u>	<u>(42)</u>
Operating (Loss) / profit (before goodwill amortisation)		(44)	20
Amortisation of goodwill		<u>-</u>	<u>-</u>
Operating (Loss) / profit		(44)	20
Non operating exceptional items		<u>-</u>	<u>-</u>
(Loss) / Profit on ordinary activities before interest		(44)	20
Interest payable and similar charges	3	-	-
Interest receivable and similar income	3	<u>-</u>	<u>-</u>
(Loss) / Profit on ordinary activities before taxation	4	(44)	20
Tax on profit on ordinary activities	7	<u>17</u>	<u>1</u>
(Loss) / Profit for the financial year	16	<u>(27)</u>	<u>21</u>

There is no material difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the years stated above and their historical cost equivalents

There were no other recognised gains or losses aside from those shown in the Profit and Loss account for the financial years

All results derive from discontinued operations

**Babcock Power Maintenance Limited**  
**Company registration number: 03141789**  
**Balance sheet as at 31 March 2012**

	Notes	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible assets	8	-	-
		-	-
<b>Current assets</b>			
Stocks	9	-	50
Debtors	10	1,838	1,620
Cash at bank and in hand		-	-
		1,838	1,670
<b>Creditors – amounts due within one year</b>	11	(73)	(63)
<b>Net current assets</b>		1,765	1,607
<b>Total assets less current liabilities</b>		1,765	1,607
<b>Creditors – amounts due after more than one year</b>	12	-	-
Provisions for liabilities and charges	13	(185)	-
<b>Net assets</b>		1,580	1,607
<b>Capital and reserves</b>			
Called-up share capital	15	2,900	2,900
Share premium account	16	-	-
Capital reserve	16	-	-
Profit and loss account	16	(1,320)	(1,293)
<b>Total shareholder's funds</b>	16	1,580	1,607

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



J McGrath  
Director  
9<sup>th</sup> October 2012



**1. Accounting policies***Basis of preparation*

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

*Tangible fixed assets and depreciation*

Tangible fixed assets are stated at historic cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs attributable to bring the asset to its working condition for its intended use.

Depreciation is provided on a straight line basis to write off the cost of all tangible fixed assets over their estimated useful lives or contract period if shorter, to their estimated residual value as follows:

Plant and machinery	10 years
Fixtures and fittings	5 years
Motor vehicles	4 years

*Stocks and work in progress*

Stocks are valued at the lower of cost and net realisable value. In the case of raw materials and consumables, cost comprises the purchase cost. In the case of work in progress, cost comprises direct materials and labour and a reasonable proportion of manufacturing overheads based on normal levels of activity.

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

*Long-term contracts*

The amount of profit attributable to the stage of completion of a long-term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at cost incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

*Turnover*

Turnover, other than that relating to long-term contracts, comprises the value of amounts invoiced (excluding trade discounts, value added tax and similar taxes) for goods and services provided in the normal course of business.

***Taxation***

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted as at the balance sheet date. The taxation liabilities of certain group companies may be reduced, wholly or in part, by surrender of losses by fellow group companies. The decision to charge group relief is made on a case by case basis.

Deferred taxation 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

***Pensions costs and other post retirement benefits***

The Company has both defined benefit and defined contribution plans. A defined benefit plan is a pension that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity.

The Company is a member of two multi-employer defined benefit pension schemes. The schemes are accounted for on a defined contribution basis as the Company is unable to identify its share of the underlying assets and liabilities. There is no material difference between the FRS17 "Retirement Benefits" and IAS 19 "Employee Benefits" valuation. Refer to the group financial statements note 26 for further details.

As a result of the level of surplus the Company's compulsory contribution to the Babcock International Group Pension Scheme had suspended contributions in respect of the majority of active members. Following the results of the 2010 actuarial valuation, the Group is resuming contributions.

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the year in which they are incurred.

***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

***Leases***

Rentals under operating leases are charged to the profit and loss account on a straight-line basis.

*Group financial statements*

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by the Companies Act 2006 because it is a wholly owned subsidiary of Babcock International Group PLC which prepares consolidated financial statements which are publicly available

*Cash flow statement*

The Company has taken advantage of the exemption in Financial Reporting Standard 1 (revised 1996) to dispense with the requirement to prepare a cash flow statement in its financial statements, as a consolidated cash flow statement is included in the financial statements of the ultimate parent company

**2. Turnover**

Geographical analysis of turnover by destination is as follows

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
United Kingdom	<b>702</b>	817
Rest of Europe	-	6
Rest of World	-	-
	<b>702</b>	<b>823</b>

In the opinion of the Directors, the classes of business in which the company operates do not differ substantially from each other. No segmental analysis is therefore provided.

**3. Interest receivable/ (payable) and similar income/ (charges)**

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Interest payable and similar charges:		
Bank interest	-	-
Loan interest payable to group undertakings	-	-
	-	-
Interest receivable and similar income		
Bank interest	-	-
Other interest	-	-
Loan interest receivable from group undertaking	-	-
	-	-
Net interest and similar income/(charges)	-	-

#### **4. (Loss) / Profit on ordinary activities before taxation**

Profit / (Loss) on ordinary activities before taxation is stated after charging/ (crediting)

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Depreciation – owned fixed assets (note 8)	-	-
Auditors' remuneration		
- audit fees	3	3
Operating lease rentals		
- land and buildings	-	-
- other	23	23
Staff costs (note 5)	<b>357</b>	<b>358</b>

Auditors' remuneration has been paid by BNS Nuclear Services Limited

#### **5. Staff costs**

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

	<b>2012</b> <b>Number</b>	<b>2011</b> <b>Number</b>
Production	4	4
Sales and commercial	3	3
Administration	-	-
	<b>7</b>	<b>7</b>

Their aggregate remuneration comprised:

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Wages and salaries	303	307
Social security costs	34	31
Other pension costs (note 19)	20	20
	<b>357</b>	<b>358</b>

#### **6. Directors' remuneration**

The directors did not receive any emoluments in respect of their services to the company (2011 £nil)

The remuneration of A N Dungate, K R Thomas, F Martinelli, G Leeming, A Moore, N J W Borrett and J McGrath was included within other Group companies and disclosed as appropriate. No part of their remuneration could be attributed to their services to Babcock Power Maintenance Limited.

**7. Tax on (loss) / profit on ordinary activities**

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
Current tax		
UK Corporation tax on (loss) / profit of the period	-	-
Adjustment in respect of prior years	-	-
Group relief for consideration	-	-
Current tax charge for the year	-	-
Deferred tax		
Origination and reversal of timing differences	(20)	1
Adjustment in respect of prior years	1	(2)
Impact of change in UK tax rate	2	-
Tax (credit)/charge	<u>(17)</u>	<u>(1)</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
(Loss) / Profit on ordinary activities before tax	<u>(44)</u>	<u>20</u>
Tax on (loss) / profit on ordinary activities at standard UK corporation tax rate of 26% (2011 28%)	(11)	6
Effects of		
Timing differences	20	-
Accelerated Capital Allowances		(1)
Expenses not deductible for tax purposes	-	-
Adjustment in respect of prior year	-	-
Group relief for nil consideration	(9)	(5)
Non-taxable gains	-	-
Current tax charged for the year	<u>-</u>	<u>-</u>

**Factors affecting current and future tax charges**

A number of changes to the UK Corporation tax system were announced in the March 2012 Budget Statement. Legislation to reduce the main rate of corporation tax from 26% to 24% from 1 April 2012 is expected to be included in the Finance Act 2012.

Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2013. These further changes had not been substantively enacted at the balance sheet date and, therefore the impact is not included in these financial statements

**8. Tangible fixed assets**

	Vehicles, plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 April 2011	4	15	19
Additions	-	-	-
Disposals	-	-	-
<b>At 31 March 2012</b>	<b>4</b>	<b>15</b>	<b>19</b>
Depreciation			
At 1 April 2011	4	15	19
Charge for the year	-	-	-
Disposals	-	-	-
Impairments	-	-	-
<b>At 31 March 2012</b>	<b>4</b>	<b>15</b>	<b>19</b>
<b>Net book value At 31 March 2012</b>	<b>-</b>	<b>-</b>	<b>-</b>
At 31 March 2011	-	-	-

**9. Stocks**

	2012 £'000	2011 £'000
Raw material and consumables	-	-
Long term contract balance	-	50
Finished goods and goods for resale	-	-
	<b>-</b>	<b>50</b>

**10. Debtors**

	2012 £'000	2011 £'000
Due within one year		
Trade debtors	71	129
Amounts recoverable on contracts	-	-
Amounts owed by group undertakings	1,744	1,485
Prepayments, other debtors and accrued income	-	-
UK corporation tax recoverable	-	-
Deferred tax (note 14)	23	6
	<b>1,838</b>	<b>1,620</b>

Amounts owed by group undertakings are not-interest bearing

**11. Creditors - amounts due within one year**

	2012 £'000	2011 £'000
Bank overdrafts	-	-
Trade creditors	11	4
Payments received on account of long term contracts	-	-
Amounts owed to group undertakings	-	-
Other creditors	-	-
Accruals and deferred income	-	59
Other taxes and social security	62	-
	<b>73</b>	<b>63</b>

**12. Creditors - amounts due after more than one year**

	2012 £'000	2011 £'000
Amounts owed to group undertakings	-	-

**13. Provisions for liabilities and charges**

	Reorgani- sation provision £'000	Dilapida- tions provisions £'000	Pension liability £'000	Contract provision £'000	Deferred tax £'000	Total £'000
At 1 April 2011	-	-	-	-	-	-
Charged to the profit and loss account	(185)	-	-	-	-	(185)
Released during the year	-	-	-	-	-	-
Utilised during the year	-	-	-	-	-	-
<b>At 31 March 2012</b>	<b>(185)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(185)</b>

**14. Deferred taxation**

The major components of the deferred tax asset recorded and the potential asset are as follows

	2012 Provided £'000	2011 Provided £'000	2012 Full potential £'000	2011 Full potential £'000
Accelerated capital allowances	3	6	-	-
Other short term timing differences	20	-	-	-
	<b>23</b>	<b>6</b>	<b>-</b>	<b>-</b>

The movement on the deferred tax asset is as follows:

	£'000
At 31 March 2011 as previously reported	6
Current year movement	20
Adjustment in respect of prior years	(1)
Impact of change in UK tax rate	(2)
<b>At 31 March 2012</b>	<b>23</b>

**15. Called-up share capital**

	<b>2012</b> <b>£'000</b>	<b>2011</b> <b>£'000</b>
<b>Authorised</b>		
2,900,000 ordinary shares of £1 each	2,900	2,900
<b>Allotted, issued and fully paid</b>		
2,900,000 ordinary shares of £1 each	<b>2,900</b>	<b>2,900</b>

**16. Reconciliation of movement in shareholders funds and reserves**

	Called up share capital £'000	Share premium account £'000	Capital Reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2011	2,900	-	-	(1,293)	1,607
(Loss) / Profit for the year	-	-	-	(27)	(27)
Acquisition of subsidiaries	-	-	-	-	-
Ordinary shares issued	-	-	-	-	-
Dividends paid	-	-	-	-	-
<b>At 31 March 2012</b>	<b>2,900</b>	<b>-</b>	<b>-</b>	<b>(1,320)</b>	<b>1,580</b>

	Called up share capital £'000	Share premium account £'000	Capital Reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2010	2,900	-	-	(1,314)	1,586
Profit for the year	-	-	-	21	21
Acquisition of subsidiaries	-	-	-	-	-
Ordinary shares issued	-	-	-	-	-
Dividends paid	-	-	-	-	-
<b>At 31 March 2011</b>	<b>2,900</b>	<b>-</b>	<b>-</b>	<b>(1,293)</b>	<b>1,607</b>



**17. Guarantees and financial commitments**

*a) Contingent liabilities*

There were no contingent liabilities at 31 March 2011 or 31 March 2012

*b) Operating lease commitments*

	<b>2012</b>		<b>2012</b>		<b>2011</b>		<b>2011</b>
	<b>Land and</b>		<b>Other</b>		<b>Land and</b>		<b>Other</b>
	<b>buildings</b>		<b>£'000</b>		<b>buildings</b>		<b>£'000</b>
	<b>£'000</b>				<b>£'000</b>		
Annual commitments under non-							
cancellable operating leases expiring as							
- within one year	-		-		-		-
- between two and five years	-		-		-		-
- after five years	-		-		-		-
	-		-		-		-

**18. Related party disclosures**

The Company, as a wholly owned subsidiary, has taken advantage of the exemption, granted under Financial Reporting Standard 8, Related Party Disclosures, from disclosing details of sales and purchases with other members of the group headed up by Babcock International Group PLC

## **19. Pension commitments**

The company participates in both the Babcock International Group defined benefit pension scheme and the Babcock International Group money purchase pension scheme

The Alstec Pension Scheme was merged into the Babcock International Group Pension scheme with effect from 1 July 2008

The Company employs members of the Babcock International Group PLC pension scheme, which are treated as a multi-employer defined benefit pension schemes for these financial statements. The schemes will be accounted for on a defined contribution basis as the company is unable to identify its share of the underlying assets and liabilities. The fund of the schemes is administered by Trustees and is held separately from the group. Independent qualified actuaries complete valuations periodically and, in accordance with their recommendations, annual contributions from employees and employer are paid to the scheme so as to secure the benefits set out in the rules. The cost of these contributions is charged in the Babcock International Group PLC financial statements against profits on a systematic basis over the service lives of the employees. There is no material difference between the FRS17 "Retirement Benefits" and IAS19 "Employee Benefits" valuation. Refer to the Babcock International Group PLC financial statements note 26 for further details.

The pension cost for the schemes was £20,000 (2011 £20,000). At the year-end contributions amounting to £Nil (2010 £Nil) were payable to the scheme.

## **20. Ultimate parent undertaking**

The Company's immediate parent Company is Babcock Support Services (Investments) Limited, a Company registered in England and Wales.

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