

# **Babcock Support Services (Investments) Limited**

## **Annual Report**

**For the year ended 31 March 2017**

**Company registration number:**

**04393168**

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# **Babcock Support Services (Investments) Limited**

## **Directors and advisors**

### **Current directors**

I Urquhart  
F Martinelli  
N Borrett

### **Company secretary**

Babcock Corporate Secretaries Limited

### **Registered office**

33 Wigmore Street  
London  
W1U 1QX

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

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## Babcock Support Services (Investments) Limited

### Strategic report for the year ended 31 March 2017

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

#### Principal activities

The principal activities of the Company continue to be that of a Group finance company within the Group headed by Babcock International Group PLC.

#### Review of the business

	2017 £000	2016 £000
Loss for the financial year	(22,351)	(22,947)

#### Principal risks and uncertainties

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

Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 68 to 79 of the Annual Report of Babcock International Group PLC, which does not form part of this report.

#### Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

On behalf of the Board



I Urquhart  
Director

28 September 2017

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## **Babcock Support Services (Investments) Limited**

### **Directors' report for the year ended 31 March 2017**

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

#### **Dividends**

No dividends were paid or declared (2016: £nil) during the financial year. There are no plans for a final dividend.

#### **Future developments**

There are no plans to alter significantly the business of the Company.

#### **Going concern**

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

#### **Financial risk management**

All treasury transactions are carried out only with prime rated counter-parties. Financial risk is managed in accordance with Group policies and procedures which are discussed on pages 33 to 37 and Note 2 of the Annual Report of Babcock International Group PLC, which does not form part of this report.

#### **Directors**

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

I Urquhart  
F Martinelli  
N Borrett (Appointed 31 August 2016)  
P Rogers (Resigned 31 August 2016)

#### **Statement of directors' responsibilities**

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

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

# **Babcock Support Services (Investments) Limited**

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

### **Statement of directors' responsibilities (continued)**

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Qualifying third party indemnity provisions**

Babcock International Group PLC provides protections for directors of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third party indemnity provisions (as defined by Companies Act 2006) for the benefit of members of Babcock International Group PLC, including, where applicable, in their capacity as a director of the Company and other companies within the Group. These indemnities came into force in 2012 and remain in force.

### **Statement of disclosure of information to auditors**

Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

### **Reappointment of auditors**

PricewaterhouseCoopers LLP were reappointed as auditors at the Annual General Meeting.

On behalf of the Board



I Urquhart  
Director

28 September 2017

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## **Babcock Support Services (Investments) Limited**

### **Independent auditors' report to the members of Babcock Support Services (Investments) Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion, Babcock Support Services (Investments) Limited's financial statements (the "financial statements"):

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

##### **What we have audited**

Babcock Support Services (Investments) Limited's financial statements comprise:

- the Balance sheet as at 31 March 2017;
- the Income statement and the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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

##### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

## **Babcock Support Services (Investments) Limited**

### **Independent auditors' report to the members of Babcock Support Services (Investments) Limited (continued)**

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities on pages 3 & 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

##### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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## **Babcock Support Services (Investments) Limited**

### **Independent auditors' report to the members of Babcock Support Services (Investments) Limited** *(continued)*

#### **What an audit of financial statements involves** *(continued)*

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

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

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic report and Directors' report, we consider whether these reports include disclosures required by applicable legal requirements.



Nicholas Campbell-Lambert (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
15 September 2017

#### **Income statement**



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## Babcock Support Services (Investments) Limited

### Income statement

*for the year ended 31 March 2017*

	Note	2017 £000	2016 £000
Administrative expenses		<u>(5,882)</u>	<u>(4,609)</u>
<b>Operating loss</b>	4	<b>(5,884)</b>	<b>(4,609)</b>
Finance income	5	5,117	6,762
Finance costs	5	<u>(21,577)</u>	<u>(22,826)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(22,342)</b>	<b>(20,673)</b>
Income tax expense	7	<u>(9)</u>	<u>(2,274)</u>
<b>Loss for the financial year</b>		<b><u>(22,351)</u></b>	<b><u>(22,947)</u></b>

All of the above results derive from continuing operations.

### Statement of comprehensive income

*for the year ended 31 March 2017*

	2017 £000	2016 £000
Loss for the financial year	<u>(22,351)</u>	<u>(22,947)</u>
<b>Total comprehensive expense for the year</b>	<b><u>(22,351)</u></b>	<b><u>(22,947)</u></b>


# Babcock Support Services (Investments) Limited

## Balance sheet

as at 31 March 2017

	Note	2017 £000	2016 £000
<b>Non-current assets</b>			
Tangible fixed assets	8	11	27
Investments	9	749,475	749,475
		<b>749,486</b>	749,502
<b>Current assets</b>			
Trade and other receivables – amounts falling due within one year	10	1,130,078	709,477
Cash and cash equivalents		20,445	12,093
		<b>1,150,523</b>	721,570
<b>Current liabilities</b>			
Trade and other payables – amounts falling due within one year	11	(1,198,904)	(735,209)
Cash and cash equivalents		(3,348)	(16,985)
		<b>(1,202,252)</b>	(752,194)
<b>Net current liabilities</b>		<b>(51,729)</b>	(30,624)
<b>Total assets less current liabilities</b>		<b>697,757</b>	718,878
<b>Non-current liabilities</b>			
Trade and other payables – amounts falling due after more than one year	11	(125,000)	(125,000)
Provisions for liabilities	12	(1,230)	-
		<b>(126,230)</b>	(125,000)
<b>Net assets</b>		<b>571,527</b>	593,878
<b>Equity</b>			
Called up share capital	13	11,937	11,937
Share premium account		578,140	578,140
Retained earnings		(18,550)	3,801
<b>Total shareholders' funds</b>		<b>571,527</b>	593,878

The notes on pages 11 to 21 are an integral part of these financial statements. The financial statements on pages 8 to 10 were approved by the Board of directors and signed on its behalf by:

  
I Urquhart  
Director  
28 September 2017

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**Babcock Support Services (Investments) Limited****Statement of changes in equity**  
*for the year ended 31 March 2017*

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Retained earnings £000</b>	<b>Total shareholders' funds £000</b>
<b>Balance at 1 April 2015</b>	<b>11,937</b>	<b>578,140</b>	<b>26,748</b>	<b>616,825</b>
Loss for the financial year	-	-	(22,947)	(22,947)
<b>Balance at 31 March 2016</b>	<b>11,937</b>	<b>578,140</b>	<b>3,801</b>	<b>593,878</b>
Loss for the financial year	-	-	(22,351)	(22,351)
<b>Balance at 31 March 2017</b>	<b>11,937</b>	<b>578,140</b>	<b>(18,550)</b>	<b>571,527</b>

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# Babcock Support Services (Investments) Limited

## Notes to the financial statements

### 1 General information

Babcock Support Services (Investments) Limited is a private company which is incorporated and domiciled in the UK. The address of the registered Office is 33 Wigmore Street, London W1U 1QX.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

#### Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit and loss in accordance with the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £000.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company is a wholly owned subsidiary of Babcock Management Limited and is included in the consolidated financial statements of Babcock International Group PLC which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- a) Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share based payments'
- b) IFRS 7, 'Financial instruments: Disclosures'
- c) Paragraphs 91 to 99 of IFRS 13 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- d) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information in respect of:
  - paragraph 79(a) (iv) of IAS 1 Share capital and reserves;
  - paragraph 73(e) of IAS 16 Property, plant and equipment; and
  - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- e) The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), 10(f), 16, 38, 40, 111, and 134-136
- f) IAS 7, 'Statement of cash flows'
- g) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- h) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation
- i) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

# **Babcock Support Services (Investments) Limited**

## **Notes to the financial statements *(continued)***

### **2 Summary of significant accounting policies *(continued)***

#### **Basis of preparation *(continued)***

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

#### **Tangible fixed assets**

Tangible fixed assets are shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on a straight-line basis to write off the cost of Tangible fixed assets over the estimated useful lives to their estimated residual value (reassessed at each balance sheet date) at the following annual rates:

Leasehold property	Lease term
Plant and equipment	6.6%-33.3%

Tangible fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds the higher of an asset's fair value less cost to sell or value in use

#### **Investments**

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

#### **Trade receivables**

Trade receivables are stated at their cost less provision for bad debts. A provision for bad debt is established when there is objective evidence that the collection of the debt is no longer probable.

#### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are initially recognised at fair value, which is usually original invoice amount and are subsequently held at amortised cost using the EIR method (although, in practice, the discount is often immaterial). If payment is due within one year or less payables are classified as current liabilities. If not, they are presented as non-current liabilities.

#### **Taxation**

##### **(a) Current income tax**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

##### **(b) Deferred income tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the consolidated financial statements.

# Babcock Support Services (Investments) Limited

## Notes to the financial statements *(continued)*

### Taxation *(continued)*

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.

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been publicly announced. Future operating costs are not provided for.

A provision for employee benefits is recognised when there is a realistic expectation of the liability.

### 3 Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 4 Operating loss

Operating loss is stated after charging / (crediting):

	2017 £000	2016 £000
Foreign exchange gains	(46)	(78)
Staff costs (note 6)	3,326	4,928
Depreciation	28	52
Operating lease rentals – land & buildings	272	324
Audit fees	2	-
Reorganisation costs	3,290	-

# Babcock Support Services (Investments) Limited

## Notes to the financial statements (continued)

### 5 Finance income and costs

	2017 £000	2016 £000
<b>Finance income:</b>		
Bank interest	2,180	3,748
Loan interest receivable from group undertakings	2,937	3,014
	<u>5,117</u>	<u>6,762</u>
<b>Finance costs:</b>		
Bank interest	(299)	(692)
Loan interest payable to group undertakings	(21,278)	(22,134)
	<u>(21,577)</u>	<u>(22,826)</u>

### 6 Staff costs

The average monthly number of employees (including directors) employed by the Company during the year was as follows:

	2017 Number	2016 Number
Administration	<u>30</u>	<u>29</u>

Their aggregate remuneration comprised:

	2017 £000	2016 £000
Wages and salaries	1,548	2,975
Social security costs	672	712
Other pension costs	301	303
Share based payments	805	938
	<u>3,326</u>	<u>4,928</u>

### 7 Income tax expense

	2017 £000	2016 £000
<b>Deferred tax:</b>		
Origination and reversal of temporary differences	(1)	240
Adjustment in respect of prior years	9	2,032
Impact of change in UK tax rate	<u>1</u>	<u>2</u>
<b>Total deferred tax charge</b>	<u>9</u>	<u>2,274</u>
<b>Tax on loss on ordinary activities</b>	<u>9</u>	<u>2,274</u>

## Babcock Support Services (Investments) Limited

### Notes to the financial statements (continued)

#### 7 Income tax expense (continued)

Tax expense for the year is higher (2016: higher) 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
<b>Loss on ordinary activities before taxation</b>	<b>(22,342)</b>	<b>(20,673)</b>
Loss on ordinary activities multiplied by standard UK corporation tax rate of 20% (2016: 20%)	<b>(4,469)</b>	<b>(4,135)</b>
Effects of:		
Expenses not deductible for tax purposes	<b>117</b>	<b>191</b>
Adjustments in respect of deferred tax for prior years	<b>9</b>	<b>2,032</b>
Group relief for nil consideration	<b>4,351</b>	<b>4,184</b>
Impact of change in UK tax rate	<b>1</b>	<b>2</b>
<b>Total tax charge for the year</b>	<b>9</b>	<b>2,274</b>

It was announced in 2017 UK Budget that UK Corporation tax will be reduced to 17% from April 2020. As a result of this change, UK deferred tax balances have been remeasured at 17% as this is the tax rate that will apply on reversal.

#### 8 Tangible fixed assets

	Leasehold property £000	Plant and machinery £000	Total £000
<b>Cost</b>			
At 1 April 2016	31	139	<b>170</b>
Additions	-	12	<b>12</b>
Disposals	(31)	(139)	<b>(170)</b>
<b>At 31 March 2017</b>	<b>-</b>	<b>12</b>	<b>12</b>
<b>Accumulated depreciation</b>			
At 1 April 2016	13	130	<b>143</b>
Charge for the year	18	10	<b>28</b>
Disposals	(31)	(139)	<b>(170)</b>
<b>At 31 March 2017</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Net book value</b>			
<b>At 31 March 2017</b>	<b>-</b>	<b>11</b>	<b>11</b>
At 31 March 2016	18	9	<b>27</b>



## Babcock Support Services (Investments) Limited

### Notes to the financial statements *(continued)*

#### 9 Investments

	2017 £000	2016 £000
<b>Shares in group undertakings</b>		
<b>Cost</b>		
At 1 April and 31 March	771,150	771,150
<b>Accumulated impairment</b>		
At 1 April and 31 March	(21,675)	(21,675)
<b>Net book value</b>		
At 31 March	749,475	749,475

The directors believe that the carrying value of the investments is supported by their underlying assets.

No dividends were received for the year ended 31 March 2017 (2016: £nil).

A full list of related undertakings for the Company has been disclosed in note 15.

#### 10 Trade and other receivables - amounts falling due within one year

	2017 £000	2016 £000
Amounts due from group undertakings	1,123,374	704,880
Group tax relief due by parent and group undertakings	3,255	3,255
Prepaid expenditure	283	808
VAT	524	317
Deferred tax asset	12	20
Other receivables	2,630	197
	<b>1,130,078</b>	<b>709,477</b>

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

- £63,721,000 (2016: £63,721,000) bearing interest at six month UK LIBOR plus 4%; and
- The remaining £1,059,653,000 (2016: £641,159,000) is non-interest bearing.

Group tax relief due by parent and group undertakings of £3,255,000 (2016: £3,255,000) is interest free and repayable on demand.

Other receivables relate to costs incurred and that will be recharged to other group entities.

Deferred tax comprises of accelerated capital allowances of £12,000 (2016: £20,000).

## Babcock Support Services (Investments) Limited

### Notes to the financial statements (continued)

#### 11 Trade and other payables

	2017 £000	2016 £000
<b>Amounts falling due within one year:</b>		
Amounts due to group undertakings	1,197,060	732,254
Group tax relief due to parent and group undertakings	687	687
Accruals and deferred income	851	2,064
Trade payables	73	24
UK Corporation tax payable	92	92
Other payables	141	88
	<b>1,198,904</b>	<b>735,209</b>

Amounts due to group undertakings are repayable on demand and:

- £4,000,000 (2016: £4,000,000) bearing an interest rate of six month UK LIBOR plus 1%;
- £333,388,000 (2016: £333,388,000) bearing interest at six month UK LIBOR plus 4%;
- £16,500,000 (2016: £16,500,000) bearing interest at 0.1%; and
- The remaining £843,172,000 (2016: £378,366,000) is non-interest bearing.

Group tax relief due to parent and group undertakings of £687,000 (2016: £687,000) is interest free and repayable on demand.

	2017 £000	2016 £000
<b>Amounts falling due after more than one year:</b>		
Amounts due to parent and group undertakings	<b>125,000</b>	<b>125,000</b>

This debt matures between two and five years bearing interest at six month UK LIBOR plus 4%.

#### 12 Provisions for liabilities

	2017 £000	2016 £000
<b>Restructuring provision</b>		
At 1 April	-	-
Charged to the income statement	3,290	-
Utilised during the year	(2,060)	-
<b>At 31 March</b>	<b>1,230</b>	<b>-</b>

During the year the company undertook a restructuring exercise on behalf of the Support Services Division in order to centralise functional activities and improve operational efficiency. The restructuring costs included property costs of £159,000 and staff costs of £3,131,000.

# Babcock Support Services (Investments) Limited

## Notes to the financial statements (continued)

### 13 Called up share capital

	2017 £000	2016 £000
<b>Allotted, issued and fully paid</b>		
10,307 (2016: 10,307) ordinary shares of £1 each	10	10
Convertible debt	11,927	11,927
<b>At 31 March</b>	<b>11,937</b>	<b>11,937</b>

### 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.

### 15 Related undertakings

All related undertakings are as follows:

Name	Address	Interest	All Parent %	Immediate %
VT Communications GmbH	Mainzer Landstrasse 16, 60325, Frankfurt Am Main, Germany	25,000 Ordinary shares	100.0000%	100.0000%
ABC Electrification Limited	8th Floor, The Place High , Holborn, London , WC1V 7AA	200 Ordinary-B shares 10 Ordinary shares, 4,693,137 Preference shares	33.3333%	33.3333%
Alert Communications (2006) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	476,000 Ordinary shares	20.0866%	100.0000%
Alert Communications (Holdings) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	20.0866%	20.0000%
Alert Communications Group Holdings Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	476,000 Ordinary shares	20.0866%	100.0000%
Alert Communications Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Alstec Automation Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Alstec Defence Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Babcock 1234 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Babcock 2010 Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Babcock 4S Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	801 Ordinary-A shares	74.4930%	80.1000%
Babcock Assessments Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	166,000 Ordinary shares	93.0000%	100.0000%
Babcock Careers Guidance (South) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	51 Ordinary-A shares, 49 Ordinary-B shares	93.0000%	100.0000%
Babcock Careers Guidance Limited	33 Wigmore Street, London, W1U 1QX	1,050 Ordinary shares	93.0000%	100.0000%

# Babcock Support Services (Investments) Limited

## Notes to the financial statements (continued)

### 15 Related undertakings (continued)

Name	Address	Interest	All Parent %	Immediate %
Babcock Communications & Partners LLC	PO Box 248 (located at Muaskar Al Murtafa'a (MAM) Garrison), Muscat, 100, Sultanate of Oman	105,000 Ordinary shares	70.3031%	70.0000%
Babcock Communications Cyprus Limited	199 Mariakos III Ave, Neoclous House, CY 3030 Limassol, Cyprus	10,000 Ordinary shares	100.0000%	100.0000%
Babcock Communications Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000,000 Ordinary shares	100.0000%	100.0000%
Babcock Education & Training Holdings LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	93.0000%	93.0000%
Babcock Education Holdings Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	93.0000%	100.0000%
Babcock Group Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,231 Ordinary shares	100.0000%	100.0000%
Babcock Integration LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	5.2500%	5.2500%
Babcock IP Management (Number One) Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	10,005 Ordinary shares	5.2885%	99.9800%
Babcock IP Management (Number Two) Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	10,001 Ordinary shares	5.2611%	100.0000%
Babcock Learning and Development Partnership LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	74.4930%	80.1000%
Babcock Networks Ireland Limited	Unit 2, Red Cow Interchange Estate, Ballymounth, Dublin, 22, Ireland	2,000,000 Ordinary shares	100.0000%	100.0000%
Babcock Networks Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,076,900 Ordinary shares	100.0000%	100.0000%
Babcock Nuclear Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	162,002 Ordinary shares	100.0000%	100.0000%
Babcock Power Maintenance Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,900,000 Ordinary shares	100.0000%	100.0000%
Babcock Rail Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,225 Ordinary shares	100.0000%	100.0000%
Babcock Services Group Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	586,146 Ordinary shares	100.0000%	100.0000%
Babcock Skills Development and Training Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	111 Ordinary shares	93.0000%	100.0000%
Babcock SSD Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Babcock Training Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	93.0000%	100.0000%
BIL Solutions Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,000,000 Ordinary shares	100.0000%	100.0000%
BNS Nuclear Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	12,100 Ordinary shares	100.0000%	100.0000%
British Nuclear Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Capital Careers Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	8,825 Ordinary shares	88.0725%	88.2500%

# Babcock Support Services (Investments) Limited

## Notes to the financial statements (continued)

### 15 Related undertakings (continued)

Name	Address	Interest	All Parent %	Immediate %
Cavendish Boccard Nuclear Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	51 Ordinary shares	51.0000%	51.0000%
Cavendish Dounreay Partnership Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom C/O Babcock International Group PLC, 33 Wigmore Street, London, W1U 1QX, United Kingdom	50 Ordinary-A shares	50.0000%	50.0000%
Cavendish Fluor Partnership Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	65 Ordinary shares	65.0000%	65.0000%
Cavendish Nuclear (Overseas) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	25,000 Ordinary shares 15 Ordinary shares, 50,000 Preference shares	100.0000%	100.0000%
Cavendish Nuclear Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000,000 Ordinary shares	100.0000%	100.0000%
Cavendish Nuclear Manufacturing Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.0000%	100.0000%
Certas Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Costpool Limited	Building D2003, Dounreay, Thurso, Caithness, KW14 7TZ, Scotland	1 Ordinary-A shares	50.0000%	100.0000%
Dounreay Site Restoration Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.0000%	100.0000%
Eve Construction Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.0000%	100.0000%
Eve Developments Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	1,000 Ordinary shares	100.0000%	100.0000%
Eve NCI Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.0000%	100.0000%
Eve Power Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.0000%	100.0000%
First Fire and Rescue Service No 2 Limited	Kintail House, 3 Lister Way, Hamilton International Park, Blantyre, G72 0FT, Scotland	50 Ordinary-A shares	50.0000%	50.0000%
FSP (2004) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares, 100 Deferred shares	100.0000%	100.0000%
FW 1B SPV Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	2 Ordinary shares	100.0000%	100.0000%
Global Broadcast Telecommunication Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	93.0000%	100.0000%
Guidance Services Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	17,621,361 Ordinary shares	93.0000%	100.0000%
HCTC Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	650,000 Ordinary shares	100.0000%	100.0000%
Hiberna Network Solutions Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
INS Innovation Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	2 Ordinary shares	100.0000%	100.0000%
International Channel Europe Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	93.0000%	100.0000%
KML (UK) Limited				

## Babcock Support Services (Investments) Limited

### Notes to the financial statements (continued)

#### 15 Related undertakings (continued)

Name	Address	Interest	All Parent %	Immediate %
Magnox Limited	Oldbury Technical Centre, Oldbury Naite , Thornbury, Bristol, United Kingdom	1 Ordinary shares 296,001 Ordinary-B shares, 315,830 Ordinary-A shares	32.5000%	50.0000%
Merlin Communications Group Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	100.4330%	100.4330%
Merlin Orfordness Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom PO Box 267, MadinatQaboos, Sultanate of Oman, 115, Oman	350,000 Ordinary shares	100.0000%	100.0000%
National Training Institute LLC	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	70.0000%	70.0000%
Northern Cable Installations Limited	Oldbury Technical Centre, Oldbury Naite , Thornbury, Bristol, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Research Sites Restoration Limited	33 Wigmore Street, London, W1U 1QX	1 Ordinary-A shares	65.0000%	100.0000%
SBRail Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	1 Ordinary shares	100.0000%	100.0000%
Scimco Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	5,000,000 Ordinary shares	100.0000%	100.0000%
Skills2Learn Ltd	33, Wigmore Street, London, W1U 1QX, United Kingdom	100 Ordinary shares	93.0000%	100.0000%
Touchstone Learning & Skills Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom C/O Babcock International Group PLC, 33 Wigmore Street, London, W1U 1QX, United Kingdom	2 Ordinary shares	93.0000%	100.0000%
UKAEA Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	15,050,000 Ordinary shares	100.0000%	100.0000%
WRN Broadcast Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	104,824 Ordinary shares	100.0000%	100.0000%
WRN Facilities Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	1 ordinary shares	100.0000%	100.0000%

#### 16 Contingent liabilities

At the year-end date the Company had guaranteed or had joint and several liability for drawn Babcock International Group PLC bank facilities of £nil (2016: £nil) provided to certain Group companies. In addition, the Company had joint and several liabilities for the drawn bank overdraft facilities of other Group companies of £nil (2016: £nil).

#### 17 Immediate and ultimate parent undertaking

The Company's immediate parent company is Babcock Management 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