

# **Babcock Marine Holdings (UK) Limited**

## **Annual Report**

**For the year ended 31 March 2018**

**Company registration number:**

**05265569**



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# **Babcock Marine Holdings (UK) 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

**Strategic report for the year ended 31 March 2018**

The directors present their Strategic report on the Company for the year ended 31 March 2018.

**Principal activities**

The principal activities of the Company continue to be that of a treasury Company within the group headed Babcock International Group PLC.

**Review of the business**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Profit for the financial year	<b>59,674</b>	<b>57,687</b>

**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.

**Future developments**

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

**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**

16 August 2018

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## **Babcock Marine Holdings (UK) Limited**

### **Directors' report for the year ended 31 March 2018**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2018.

#### **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 (UK) Holdings Limited, intends to support the Company to ensure it can meet its obligations as they fall due. The Directors have received confirmation that Babcock (UK) Holdings 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 26 to 29 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

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;

# **Babcock Marine Holdings (UK) Limited**

## **Directors' report for the year ended 31 March 2018 (continued)**

### **Statement of directors' responsibilities in respect of the financial statements (continued)**

- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is 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 that information.

### **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 independent auditors at the Annual General Meeting.

On behalf of the Board



I Urquhart  
**Director**

16 August 2018

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## **Babcock Marine Holdings (UK) Limited**

### **Independent auditors' report to the members of Babcock Marine Holdings (UK) Limited**

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

##### **Our opinion**

In our opinion, Babcock Marine Holdings (UK) 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Babcock Marine Holdings (UK) Limited's financial statements comprise:

- the Balance sheet as at 31 March 2018;
- 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.

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## **Babcock Marine Holdings (UK) Limited**

### **Independent auditors' report to the members of Babcock Marine Holdings (UK) 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.

## **Babcock Marine Holdings (UK) Limited**

### **Independent auditors' report to the members of Babcock Marine Holdings (UK) Limited (continued)**

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

17 August 2018



## Babcock Marine Holdings (UK) Limited

### Income statement

for the year ended 31 March 2018

	Note	2018 £000	2017 £000
Administrative income / (expenses)		919	(332)
<b>Operating profit / (loss)</b>	4	919	(332)
Income from shares in group undertakings	7	58,735	57,454
<b>Profit before interest and taxation</b>		59,654	57,122
Finance income	5	12,736	9,523
Finance costs	5	(12,716)	(8,958)
<b>Profit on ordinary activities before taxation</b>		59,674	57,687
Income tax expense	6	-	-
<b>Profit for the financial year</b>		59,674	57,687

All of the above results derive from continuing operations.

### Statement of comprehensive income

for the year ended 31 March 2018

	2018 £000	2017 £000
Profit for the financial year	59,674	57,687
Foreign exchange (loss) / gain on net investments	(918)	772
<b>Total comprehensive income for the year</b>	58,756	58,459

# Babcock Marine Holdings (UK) Limited

## Balance sheet

as at 31 March 2018

	Note	2018 £000	2017 £000
<b>Non-current assets</b>			
Investments	7	<u>154,650</u>	<u>154,650</u>
<b>Current assets</b>			
Trade and other receivables – amounts falling due within one year	8	<u>479,613</u>	<u>537,312</u>
Cash and cash equivalents		<u>148,126</u>	<u>-</u>
		<u>627,739</u>	<u>537,312</u>
<b>Current liabilities</b>			
Trade and other payables – amounts falling due within one year	9	<u>(659,477)</u>	<u>(474,256)</u>
Cash and cash equivalents		<u>-</u>	<u>(94,815)</u>
		<u>(659,477)</u>	<u>(569,071)</u>
<b>Net current liabilities</b>		<u>(31,738)</u>	<u>(31,759)</u>
<b>Net assets</b>		<u>122,912</u>	<u>122,891</u>
<b>Equity</b>			
Called up share capital	10	<u>1,501</u>	<u>1,501</u>
Share premium account		<u>33,098</u>	<u>33,098</u>
Other reserves		<u>38,265</u>	<u>38,265</u>
Retained earnings		<u>50,048</u>	<u>50,027</u>
<b>Total shareholders' funds</b>		<u>122,912</u>	<u>122,891</u>

The notes on pages 11 to 18 are an integral part of these financial statements.

The financial statements on pages 8 to 18 were approved by the board of directors and signed on its behalf by:



I Urquhart  
Director

16 August 2018

# Babcock Marine Holdings (UK) Limited

## Statement of changes in equity for the year ended 31 March 2018

	Note	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total share- holders' funds £000
<b>Balance at 1 April 2016</b>		<b>1,501</b>	<b>33,098</b>	<b>37,970</b>	<b>49,317</b>	<b>121,886</b>
Profit for the financial year		-	-	-	57,687	57,687
Dividends paid	11	-	-	-	(57,454)	(57,454)
Other Comprehensive Income		-	-	-	772	772
Reclassification of Reserves		-	-	295	(295)	-
<b>Balance at 31 March 2017</b>		<b>1,501</b>	<b>33,098</b>	<b>38,265</b>	<b>50,027</b>	<b>122,891</b>
Profit for the financial year		-	-	-	59,674	59,674
Dividends paid	11	-	-	-	(58,735)	(58,735)
Other Comprehensive expense		-	-	-	(918)	(918)
<b>Balance at 31 March 2018</b>		<b>1,501</b>	<b>33,098</b>	<b>38,265</b>	<b>50,048</b>	<b>122,912</b>

## Notes to the financial statements

### 1 General information

Babcock Marine Holdings (UK) 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 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.

#### Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). 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 Company is a wholly-owned subsidiary of Babcock Holdings 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 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 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.

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# **Babcock Marine Holdings (UK) Limited**

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

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

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

#### **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. 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.

### **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.

# Babcock Marine Holdings (UK) Limited

## Notes to the financial statements (continued)

### 3 Critical accounting estimates and judgements (continued)

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. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

### 4 Operating (loss) / profit

Operating profit / (loss) is stated after crediting / (charging):

	2018 £000	2017 £000
Foreign exchange gain / (loss)	919	(322)
Audit Fees	-	(2)

The fee payable to the parent auditors and its associates in respect of the audit of the Company's financial statements was £2,033 (2017: £2,000) and was borne by Babcock International Limited (2017: the company). The Company has no employees (2017: none).

### 5 Finance income and costs

	2018 £000	2017 £000
<b>Finance income:</b>		
Bank interest	15	21
Loan interest receivable from group undertakings	12,721	9,502
	<u>12,736</u>	<u>9,523</u>
<b>Finance costs:</b>		
Loan interest payable to group undertakings	(12,648)	(8,934)
Other interest payable	(68)	(24)
	<u>(12,716)</u>	<u>(8,958)</u>

### 6 Income tax expense

Tax expense for the year is lower (2017: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2018 of 19% (2017: 20%). The differences are explained below:

	2018 £000	2017 £000
<b>Profit before taxation</b>	<u>59,674</u>	<u>57,687</u>
Profit before taxation multiplied by standard UK corporation tax rate of 19% (2017: 20%)	11,338	11,537
Effects of:		
Income not subject to tax	(11,160)	(11,491)
Group relief for nil consideration	<u>(178)</u>	<u>(46)</u>
Tax charge for the year	<u>-</u>	<u>-</u>

# Babcock Marine Holdings (UK) Limited

## Notes to the financial statements (continued)

### 6 Income tax expense (continued)

It was announced in 2018 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.

### 7 Investments

	2018 £000	2017 £000
<b>Cost and carrying amount</b>		
At 1 April and 31 March	<b>154,650</b>	154,650

During the financial year the Company received £58,735,000 (2017: £57,454,000) in dividends from subsidiary undertakings: £17,342,000 (2017: £20,000,000) from Frazer-Nash Consultancy Group Limited, £nil (2017: £15,454,000) from Strachan & Henshaw Limited, £36,393,000 (2017: £16,000,000) from Babcock Integration Technology Limited and £5,000,000 (2017: £6,000,000) from Appledore Shipbuilders (2004) Limited.

The directors believe that the carrying value of the investments is supported by their underlying assets. Full lists of related undertakings for the Company have been disclosed in note 14.

### 8 Trade and other receivables

	2018 £000	2017 £000
Trade receivables	<b>490</b>	76
Amounts due by group undertakings	<b>478,786</b>	537,137
Tax recoverable	<b>337</b>	99
	<b>479,613</b>	537,312

Amounts due by group undertakings within one year are unsecured, repayable on demand and:

- £19,764,000 (2017: £35,000,000) bearing interest rates of 1 or 3 month LIBOR + 4%;
- Euro, USD and SEK loans for the value of £265,030,000 (2017: £269,329,000) bearing interest rates of 1, 3 or 6 month Euribor + a margin between 1% to 4%;
- Accrued interest of £14,242,000 (2017: £19,582,000); and
- The remaining £179,750,000 (2017: £213,226,000) are interest free loans.

### 9 Trade and other payables

	2018 £000	2017 £000
Amounts due to parent and group undertakings	<b>659,468</b>	474,256
Other payables	<b>9</b>	-
	<b>659,477</b>	474,256

# Babcock Marine Holdings (UK) Limited

## Notes to the financial statements (continued)

### 9 Trade and other payables (continued)

Amounts due to group undertakings within one year are repayable on demand and:

- £10,000,000 (2017: £20,000,000) bearing interest at Libor + 1%;
- £14,800,000 (2017: £14,800,000) bearing interest at 6 month Libor + 4%;
- NZD\$8,000,000 (2017: NZD\$8,000,000) bearing interest at Official Cash Rate + 4%;
- Euro, USD and SEK loans for the value of £207,785,000 (2017: £112,703,000) bearing interest at 1, 3 or 6 month EURIBOR, USDBOR or STIBOR + a margin between 1% to 4%;
- Accrued interest of £24,286,000 (2017: £18,361,000); and
- The remaining £398,483,000 (2017: £303,920) is interest free.

### 10 Called up share capital

	2018 £000	2017 £000
<b>Allotted, called up and fully paid</b>		
150,000,000 preference shares of £0.01 each (2017: 150,000,000)	1,500	1,500
1,001 ordinary shares of £1 each (2017: 1,001)	1	1
	<b>1,501</b>	<b>1,501</b>

### 11 Dividends

Dividends declared and paid were £58,735,000 (2017: £57,454,000) to Babcock Holdings Limited.

### 12 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.

### 13 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 (2017: £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 (2017: £nil).



## Babcock Marine Holdings (UK) Limited

### Notes to the financial statements (continued)

#### 14 Related undertakings

All related undertakings are as follows:

Name	Address	Interest	Immediate %	Ultimate %
Appledore Shipbuilders (2004) Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	103,000 Ordinary-A shares, 897,000 Ordinary-B shares	100.00%	100.00%
Babcock Canada Inc	Norton Rose Fulbright Canada LLP, 45 O'Connor Street, Suite 1500, Ottawa ON K1P 1A4, Canada	2 Ordinary shares	100.00%	100.00%
Babcock Information Analytics and Security Holdings Limited	Lincoln House, Wellington Crescent, Fradley Park, Lichfield, Staffordshire, WS13 8RZ, United Kingdom	100,000 Ordinary shares	100.00%	100.00%
Babcock Information Analytics and Security Limited	Lincoln House, Wellington Crescent, Fradley Park, Lichfield, Staffordshire, WS13 8RZ, United Kingdom	349,097 Ordinary shares, 50,000 Preference shares	100.00%	100.00%
Babcock Integrated Technology (Korea) Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	1 Ordinary shares	100.00%	100.00%
Babcock Integrated Technology GmbH	Berliner Platz 12, 41061, Moenchengladbach, Germany	25,000 Ordinary shares	100.00%	100.00%
Babcock Integrated Technology Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	40,100 Ordinary shares	100.00%	100.00%
Babcock Integration LLP	33, Wigmore Street, London, W1U 1QX, United Kingdom	Holding Company > Subsidiary Company	3.21%	3.21%
Babcock IP Management (Number One) Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	10,004 Ordinary shares	99.97%	3.23%
Babcock IP Management (Number Two) Limited	33, Wigmore Street, London, England, W1U 1QX, United Kingdom	10,001 Ordinary shares	100.00%	3.21%
Babcock Marine Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,000 ORDINARY shares	100.00%	100.00%
Babcock Support Services (Canada) Inc.	44 Chipman Hill, Suite 1000, P.O. Box 7289, Station "A", Saint John NB E2L 4S6, Canada	3 Common Shares	100.00%	100.00%
Babcock Support Services Canada Investments Inc.	c/o John Alan O'Neill, 45 O'Connor Street, Suite 1500, Ottawa ON K1P 1A4, Canada	100 Common shares	100.00%	100.00%
Brooke Marine Shipbuilders Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2 ORDINARY shares	100.00%	100.00%

# Babcock Marine Holdings (UK) Limited

## Notes to the financial statements (continued)

### 14 Related undertakings (continued)

Name	Address	Interest	Immediate %	Ultimate %
Context Information Security GmbH	Ernst-Ludwig-Ring 2, Bad Nauheim, 61231, Amtsgericht Friedberge (Hessen), Germany	50,000 Ordinary shares	100.00%	100.00%
Context Information Security Limited	11 Westferry Circus, London, E14 4HD, United Kingdom	7,000 Ordinary shares	100.00%	100.00%
FBM Babcock Marine Holdings (UK) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	2,935,244 ORDINARY shares	100.00%	100.00%
FBM Babcock Marine Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	921,957 ORDINARY shares	100.00%	100.00%
FBM Marine International (UK) Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	10,000 ORDINARY shares	100.00%	100.00%
FBV Designs Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	250,000 'B' ORDINARY shares	50.00%	50.00%
FN Consultancy Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	2 Ordinary shares	100.00%	100.00%
FNC Group Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	2 Ordinary shares	100.00%	100.00%
FNC Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	2 Ordinary shares	100.00%	100.00%
Frazer-Nash Consultancy (Australia) Pty Ltd	689-695 Mersey Road, Osborne SA 5017, Australia	1 Ordinary shares	100.00%	100.00%
Frazer-Nash Consultancy Group Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	10,908,600 Ordinary-A shares, 658,500 Ordinary-B shares	100.00%	100.00%
Frazer-Nash Consultancy Limited	Devonport Royal Dockyard, Devonport, Plymouth, PL1 4SG, United Kingdom	115,671 Ordinary shares, 50,000 A Preference shares, 50,000 B Preference shares	100.00%	100.00%
Liquid Gas Equipment Limited	Rosyth Business Park, Rosyth, Dunfermline, Fife, Scotland, KY11 2YD, United Kingdom	2 Ordinary shares	100.00%	100.00%
Locam Limited	Lincoln House, Wellington Crescent, Fradley Park, Lichfield, Staffordshire, England, WS13 8RZ, United Kingdom	1 Ordinary shares	100.00%	100.00%
Strachan & Henshaw Canada Inc	45 O'Connor Street, Suite 1500, Ottawa, Ontario K1P 1A4, Canada	1,000 Ordinary shares	100.00%	100.00%
Strachan & Henshaw Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	3,000,000 Ordinary shares	100.00%	100.00%
Strachan & Henshaw, Inc	CT Corporation Systems, 155 Federal Street, Suite 700, Boston MA 02110, United States	10,000 Ordinary shares	100.00%	100.00%

**15 Immediate and ultimate parent undertakings**

The Company's immediate parent Company is Babcock Holdings 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