

UKAEA Limited
Annual Report
For the year ended 31 March 2018
Company registration number:
5597709

SATURDAY



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21/07/2018
COMPANIES HOUSE

UKAEA Limited

Directors and advisors

Current directors

S C Bowen

K J Garvey

Company secretaries

Babcock Corporate Secretaries Limited

B D Grey

Registered office

33 Wigmore Street

London

England

W1U 1QX

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Donington Court

Pegasus Business Park

Herald Way

East Midlands

DE74 2UZ

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

This company did not trade during this year.

Review of the business

	2018	2017
	£000	£000
Revenue	-	-
Loss for the financial year	(2)	(11)

Principal risks and uncertainties

Due to the non-trading nature of the Company, the Company is not exposed to any material risks or uncertainties.

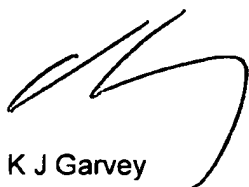
Future developments

The Company is no longer trading.

Key performance indicators

The Group's activities are managed on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The growth and performance of Nuclear, a sector of Babcock International Group PLC, which includes the Company, is discussed on pages 54 to 59 of the Group's report, which does not form part of this report.

On behalf of the board



K J Garvey

Director

12 July 2018

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.

Dividends

The directors do not propose payment of a dividend (2017: £Nil).

Directors

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

S C Bowen
K J Garvey

Statement of directors' responsibilities

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;
- 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 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 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.

Directors' confirmations

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.

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

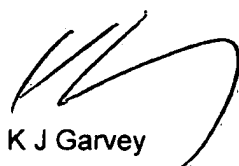
Qualifying third party indemnity provisions

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 the 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 were in force during the financial year and also at the date of approval of the financial statements.

Independent advisors

Then auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



K J Garvey

Director

12 July 2018

Independent auditors' report to the members of UKAEA Limited

Report on the audit of the financial statements

Opinion

In our opinion, UKAEA Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 31 March 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of UKAEA Limited *(continued)*

Report on the audit of the financial statements *(continued)*

Reporting on other information *(continued)*

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be

materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the members of UKAEA Limited (continued)

Report on the audit of the financial statements (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Alan Walsh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

13 JULY 2018

UKAEA Limited**Income statement***for the year ended 31 March 2018*

	Note	2018 £000	2017 £000
Finance costs	4	<u>(2)</u>	<u>(2)</u>
Loss before taxation		(2)	(2)
Income tax expense	7	<u>-</u>	<u>(9)</u>
Loss for the financial year		<u>(2)</u>	<u>(11)</u>

All of the above results derive from discontinued operations.

Statement of comprehensive income*for the year ended 31 March 2018*

	2018 £000	2017 £000
Loss for the financial year	<u>(2)</u>	<u>(11)</u>
Other comprehensive income:		
<i>Items that may be subsequently reclassified to income statement:</i>	-	-
<i>Items that will not be subsequently reclassified to income statement:</i>	-	-
Total comprehensive expense	<u>(2)</u>	<u>(11)</u>

UKAEA Limited**Balance sheet**
as at 31 March 2018

	Note	2018 £000	2017 £000
Current assets			
Trade and other receivables	8	<u>40,047</u>	40,051
Net current assets		<u>40,047</u>	40,051
 Provisions for liabilities	9	<u>(44)</u>	(46)
Net assets		<u>40,003</u>	40,005
Equity			
Called up share capital	10	15,050	15,050
Retained earnings		<u>24,953</u>	24,955
Total shareholders' funds		<u>40,003</u>	40,005

The notes on pages 11 to 16 are an integral part of these financial statements.

The financial statements on pages 8 to 16 were approved by the board of directors and signed on its behalf by:



K J Garvey

Director

12 July 2018

UKAEA Limited**Statement of changes in equity**
for the year ended 31 March 2018

	Called up share capital	Retained earnings	Total shareholders' funds
	£000	£000	£000
Balance at 1 April 2016	15,050	24,966	40,016
Loss and total comprehensive expense for the financial year	-	(11)	(11)
Balance at 31 March 2017	15,050	24,955	40,005
Loss and total comprehensive expense for the financial year	-	(2)	(2)
Balance at 31 March 2018	15,050	24,953	40,003

Notes to the financial statements

1 General information

UKAEA Limited is a private limited 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

The financial statements have been prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). These financial statements are prepared on a going concern basis, under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest thousand GBP.

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

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

- a) 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;
- b) The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), 10(f), 16, 38, 40, 111, and 134-136
- c) IAS 7, 'Statement of cash flows'
- d) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- e) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies *(continued)*

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.

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 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.

Critical accounting estimates and judgements

The directors consider the receivable balance to be recoverable on the basis it is owed by a related party within the Babcock International Group.

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

UKAEA Limited

Notes to the financial statements *(continued)*

3 Operating result

Operating result is stated after charging:

	2018 £000	2017 £000
Audit fees payable to the Company's auditor	2	2

Fees paid to the Company's auditors, PricewaterhouseCoopers LLP, and its associates, for services other than the statutory audit of the Company, are disclosed on a consolidated basis in the financial statements of the ultimate parent undertaking, Babcock International Group PLC. The group financial statements are required to comply with the statutory disclosure requirements. Auditors' remuneration in respect of audit services of £2,000 (2017: £2,000) has been borne by another group company.

4 Finance costs

	2018 £000	2017 £000
Finance charge on unwinding of discount	(2)	(2)

5 Staff costs

The Company has no employees (2017: none).

6 Directors' remuneration

All of the directors of the Company are remunerated by other Babcock Group companies. It is not possible to make an accurate apportionment of these directors' emoluments relating to services provided to the Company and as such no disclosure of emoluments received by these directors has been made in these financial statements. No recharge is made for costs borne by the Company in relation to services performed by the directors in relation to other Babcock Group companies.

UKAEA Limited

Notes to the financial statements (continued)

7 Income tax

Tax expense included in income statement

	2017 £000	2017 £000
Current tax:		
UK Corporation tax on loss for the year	-	-
Current tax charge for the year	-	-
Deferred tax:		
Adjustments in respect of deferred tax for prior years	-	9
Deferred tax	-	9
Tax on loss	-	9

Tax expense for the year is lower (2017: higher) 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
Loss before taxation	(2)	(2)
Loss on ordinary activities multiplied by standard UK corporation tax rate of 19% (2017: 20%)	-	-
Effects of:		
Adjustments in respect of deferred tax for prior years	-	9
Total tax charge for the year	-	9

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

Notes to the financial statements (continued)

8 Trade and other receivables

	2018 £000	2017 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	40,047	40,051
	<u>40,047</u>	<u>40,051</u>

Amounts owed by group undertakings are unsecured, interest free, and repayable on demand. Within the group loans is one loan (2017: one) of £40,048,000 (2017: £40,051,000).

9 Provisions for liabilities

	Continuing annual payments £000
At 1 April 2017	46
Unwinding of discount	2
Utilised in the year	<u>(4)</u>
At 31 March 2018	<u>44</u>

Continuing annual payment provisions

On being made redundant, certain staff are entitled to receive their annual pension immediately and the amounts payable include a contribution from the Company. The continuing annual payments provision comprises the Company's contribution to the annual pensions payable.

10 Called up share capital

	2018 £000	2017 £000
Authorised		
30,000,000 ordinary shares of £1 each (2017: 30,000,000)	<u>30,000</u>	<u>30,000</u>
Allotted and fully paid		
15,050,000 ordinary shares of £1 each (2017: 15,050,000)	<u>15,050</u>	<u>15,050</u>

11 Guarantees and financial commitments

The Company had no guarantees or financial commitments at 31 March 2018 or 31 March 2017.

Notes to the financial statements *(continued)*

12 Ultimate parent undertaking

The Company's immediate parent company is Babcock Support Services (Investments) 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