

Babcock Education Holdings Limited**Annual report and financial statements****For the year ended 31 March 2018****Company registration number:****08132276**

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COMPANIES HOUSE

Babcock Education Holdings Limited

Directors and advisors

Current directors

T Newman
S West
I Urquhart
R Taylor

Company secretary

Babcock Corporate Secretaries Limited

Registered office

33 Wigmore Street
London
W1U 1QX

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Savannah House
3 Ocean Way
Ocean Village
Southampton
SO14 3TJ

Babcock Education Holdings Limited

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 activity of the Company is that of a holding company.

Review of the business

The Company has produced the following financial statements under FRS 101.

	2018	2017
	£000	£000
Operating loss for the financial year	(5,685)	(1,900)
Total Shareholders' funds	2,295	6,650

During the year, the directors have undertaken their annual impairment exercise and have reduced the carrying value of investments, specifically in relation to Babcock Learning and Development Partnership, by £5,709,000 (2017: £1,618,000) which represents the significant impact on the result in the year. This is explained further in note 4.

At the year end, the company had net assets of £2,295,000 (2017: £6,650,000).

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.

The Company's investments are affected by changes in government policy, budget allocations and the changing political environment. The directors manage this risk by maintaining regular discussions with the relevant customers and controlling both direct and indirect expenditure as necessary.

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

The directors plan to process and recharge the overheads and head office costs relating to the Education companies within Babcock International Group PLC through this company in the future, and recharge them out to the education companies. The directors have no plans to change the current use of the company.

Babcock Education Holdings Limited

Strategic report for the year ended 31 March 2018 (continued)

Key performance indicators

The Company'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 Land, a division of Babcock International Group PLC, which includes the Company, is discussed on pages 38 to 45 of the annual report of the Group, which does not form part of this report.

On behalf of the board



S West

Director

12 November 2018

Babcock Education Holdings 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.

Dividends

No dividends were paid in the current year and no final dividend is proposed (2017: £nil).

Future developments

Information on the future developments of the Company can be found in the Strategic report.

Going concern

The Directors have prepared the financial statements on a going concern basis as confirmation has been received from Babcock Management Limited that they will ensure the Company is able to meet its liabilities as they fall due, and that they will not seek repayment of any amounts due from Babcock Education Holdings Limited to other companies within its group for a period of at least 12 months from the date of approval of these financial statements unless the Company generates sufficient cash flows from its operations to meet the repayments and its third party obligations as they fall due.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors of Babcock International Group PLC are implemented by the Group and Company's finance departments. The department has a policy and procedures manual that sets out specific guidelines to allow it to manage interest rate risk, credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

Credit risk

Cash and bank balances are held with banks that have been assigned satisfactory credit ratings by international credit rating agencies.

Liquidity risk

The Company retains access to pooled cash resources to ensure it has sufficient available funds for operations. The Company also has access to long term funding from its ultimate parent undertaking if required.

Interest rate risk

The Company has both interest-bearing assets and interest-bearing liabilities. The interest-bearing assets include cash balances which accrue interest at a floating rate. The Company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Babcock Education Holdings Limited

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

Directors

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

J Davies (resigned 24 August 2017)
I Urquhart
R Taylor
T Newman
S West (appointed 24 August 2017)

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.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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.

Babcock Education Holdings Limited

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

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.

On behalf of the board



S West

Director

12 November 2018

Babcock Education Holdings Limited

Independent auditors' report to the members of Babcock Education Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Babcock Education Holdings 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 FRS101 "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 and Financial Statements (the "Annual Report"), which comprise, the Statement of Financial Position as at 31 March 2018; the Statement of Comprehensive Income and 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.

Babcock Education Holdings Limited

Independent auditors' report to the members of Babcock Education Holdings Limited (continued)

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.

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 5, 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.

Babcock Education Holdings Limited

Independent auditors' report to the members of Babcock Education Holdings Limited (continued)

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.

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.



Sasha Lewis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

12 November 2018

Babcock Education Holdings Limited**Statement of comprehensive income**
for the year ended 31 March 2018

	Note	2018 £000	2017 £000
Administrative expenses		24	(282)
Investment impairment	4	(5,709)	(1,618)
Operating loss		(5,685)	(1,900)
Income from shares in group undertakings		1,453	1,588
Finance expense	5	-	(36)
Loss on ordinary activities before income tax		(4,232)	(348)
Income tax expense	8	(123)	-
Loss for the financial year and total comprehensive expense		(4,355)	(348)

All of the above results derive from continuing operations.

Babcock Education Holdings Limited**Statement of financial position**
as at 31 March 2018

	Note	2018 £000	2017 £000
Non-current assets			
Investments	4	<u>6,327</u>	<u>12,036</u>
Current assets			
Trade and other receivables	9	7,114	5,905
Cash and cash equivalents		<u>1,318</u>	<u>982</u>
		8,432	6,887
Trade and other payables – amounts falling due within one year	10	<u>(12,464)</u>	<u>(12,273)</u>
Net current liabilities		<u>(4,032)</u>	<u>(5,386)</u>
Total assets less current liabilities		<u>2,295</u>	<u>6,650</u>
Net assets		<u>2,295</u>	<u>6,650</u>
Equity			
Called up share capital	11	-	-
Share premium		32,000	32,000
Accumulated losses		<u>(29,705)</u>	<u>(25,350)</u>
Total shareholders' funds		<u>2,295</u>	<u>6,650</u>

The notes on pages 13 to 20 are an integral part of these financial statements.

The financial statements on pages 10 to 20 were approved by the board of directors and signed on its behalf by:



S West
Director

12 November 2018

Babcock Education Holdings Limited**Statement of changes in equity**
for the year ended 31 March 2018

	Called-up share capital £000	Share premium £000	Accumulated losses £000	Total shareholders' funds £000
Balance at 1 April 2016	-	32,000	(25,002)	6,998
Loss for the financial year	-	-	(348)	(348)
Balance at 31 March 2017	-	32,000	(25,350)	6,650
Loss for the financial year	-	-	(4,355)	(4,355)
Balance at 31 March 2018	-	32,000	(29,705)	2,295

Babcock Education Holdings Limited

Notes to the financial statements

1. General information

Babcock Education Holdings Limited is a private holding company limited by shares which was incorporated in England on 5 July 2012. The address of the registered office is 33 Wigmore Street, London, England, 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 Companies Act 2006 and Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101).

These financial statements are prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006. The financial statements are prepared in sterling which is the functional and presentation 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 Education and Training Holdings LLP and of its ultimate parent, Babcock International Group PLC, a company incorporated in England. 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) 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)
- 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) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation
- f) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Babcock Education Holdings Limited

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

Going Concern

The Directors have prepared the financial statements on a going concern basis as confirmation has been received from Babcock Management Limited that they will ensure the Company is able to meet its liabilities as they fall due, and that they will not seek repayment of any amounts due from Babcock Education Holdings Limited to other companies within its group for a period of at least 12 months from the date of approval of these financial statements unless the Company generates sufficient cash flows from its operations to meet the repayments and its third party obligations as they fall due.

Investments

Investments are stated at cost less provision for impairment.

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.

Financial Instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Babcock Education Holdings Limited

Notes to the financial statements (continued)

3. Critical accounting estimates and judgements (continued)

The most significant judgement relates to investments held. Where investments are not supported by the underlying net assets, the Directors' prepare a value in use calculation to assess whether an investment value is impaired. This involves estimating future cash flows and using appropriate assumptions such as discount rate and future growth rates. The value in use represents the Directors' best estimate of the value of the underlying business.

4. Investments

	£'000
Cost	
At 1 April 2017	45,000
Additions for the year	-
At 31 March 2018	45,000
Accumulated impairment	
At 1 April 2017	32,964
Impairment charge for the year	5,709
At 31 March 2018	38,673
Net book value	
At 31 March 2018	6,327
At 31 March 2017	12,036

Subsidiary	Principal Activity	Percentage of ordinary shares held
Babcock 4S Limited	Provision of school support services	80.1%
Babcock Learning & Development Partnership LLP	Provision of school support services	80.1%

All the subsidiary undertakings are incorporated and operate in England with a registered address of 33 Wigmore Street, London, W1U 1QX. The directors believe that the carrying value of the investments is supported by the value of future contracted trade in the subsidiaries

During the year, the directors have undertaken their annual impairment exercise using a discount rate of 9.2%. The carrying value of investments, specifically in relation to Babcock Learning and Development Partnership, has reduced by £5,709,000 (2017: £1,618,000) which represents their best estimate of the value in use and arose from a review of the strategic plan for the investments following reductions in government spending.

Babcock Education Holdings Limited

5. Finance expenses

	2018 £000	2017 £000
Finance expenses:		
Bank interest expense	-	(36)
	-	(36)

6. Staff costs

The Company had no employees in the year (2017: nil)

7. Directors' and Auditors' remuneration

All of the directors of the Company are subject to service agreements with, and are remunerated by, other group companies. It is not possible to make an accurate apportionment of their emoluments resulting to services provided to the Company.

The Company's directors have retirement benefits accruing under a defined benefit pension scheme. The cost incurred for this benefit is borne by a different group company and are disclosed in the financial statements of Babcock International Group PLC.

Fees paid to the company's auditors, PricewaterhouseCoopers LLP, and its associates, for services other than 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 accounts are required to comply with the statutory disclosure requirement.

Fees paid to the company's auditors, PricewaterhouseCoopers LLP, for the statutory audit in 2018 were borne by another group company.

8. Income tax expense

	2018 £000	2017 £000
Current tax:		
UK corporation tax	123	-
Income tax expense		
Income tax expense	123	-

Babcock Education Holdings Limited**Notes to the financial statements (continued)****8. Income tax expense (continued)**

Tax expense for the year is higher (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 on ordinary activities before taxation	(4,232)	(348)
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2017: 20%)	(804)	(70)
Effects of:		
Income not subject to UK tax	(276)	(318)
Expenses not deductible for tax purposes	1,085	324
Group relief (claimed)/surrendered for nil consideration	118	64
Total tax charge for the year	123	-

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.

9. Trade and other receivables

	2018 £000	2017 £000
Amounts falling due within one year:		
Amounts owed by group undertakings - Trading	465	693
Amounts owed by group undertakings - Profit Share	6,624	5,170
Prepayments and Accrued income	10	-
Other receivables	15	42
	7,114	5,905

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

Babcock Education Holdings Limited

Notes to the financial statements (continued)

10. Trade and other payables

	2018 £000	2017 £000
Amounts falling due within one year:		
Amounts owed to parent and group undertakings	12,252	12,130
Accruals and deferred income	11	143
Other creditors	201	-
	12,464	12,273

Amounts owed to parent and group undertakings are unsecured, interest free, and repayable on demand.

11. Called-up share capital

	2018 £000	2017 £000
Allotted and fully paid		
112 (2017:112) ordinary shares of £1 each	-	-

12. Guarantees and financial commitments

a) 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).

As at 31 March 2018 the Company had no contracted capital commitments (2017: £nil)

13. Related party disclosures

During the year the Company entered into transactions with related parties. These consisted of subsidiaries of Babcock International Group PLC. All transactions were on an arm's length basis.

Transactions entered into and trading balances outstanding at 31 March 2018 are as follows:

	Sales to related party £000	Purchases from related party £000	Amounts owed by related party £000	Amounts owed to related party £000
Related party				
Babcock 4S Limited	531	-	144	-
Babcock Learning and Development Partnership LLP	720	-	6,822	-

Sales to and purchases from related parties relate to the full recharging of costs incurred on behalf of those entities.

Babcock Education Holdings Limited

Notes to the financial statements (continued)

13. Related party disclosures (continued)

Transactions entered into and trading balances outstanding at 31 March 2017 are as follows:

	Sales to related party £000	Purchases from related party £000	Amounts owed by related party £000	Amounts owed to related party £000
Related party				
Babcock 4S Limited	562	-	31	-
Babcock Learning and Development Partnership LLP	672	-	5,559	-

All dealings with related parties noted above arise in the normal course of business and are subject to normal terms and conditions.

14. Ultimate parent undertaking

The Company's immediate parent undertaking is Babcock Education & Training Holdings LLP, a partnership registered in England and Wales. The Company's ultimate parent company and ultimate controlling party is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the Company are consolidated is that headed by Babcock International Group PLC.

Copies of Babcock International Group PLC Financial Statements are available from the following address:

The Company Secretary
Babcock International Group PLC
33 Wigmore Street
London W1U 1QX