

# **Babcock Southern Careers Limited**

## **Annual report and financial statements**

**For the year ended 31 March 2014**

**Company registration number:**

**03007083**

TUESDAY



\*A3JYHLIA\*

A07

04/11/2014

#237

COMPANIES HOUSE

The directors present their strategic report on the Company for the year ended 31 March 2014.

**Principal activities**

The principal activity of the company was the provision of careers advice and related services. The Company is not expecting to trade again in the future.

**Review of the business**

On 22 June 2011 the company's sole contract ended and trading in the company ceased. The Company is not expecting to trade again in the future.

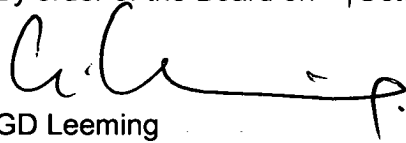
**Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. Accordingly, the principal risks and uncertainties of Babcock International Group PLC, which include those of the company, are discussed on page 64 of the group's annual report which does not form part of this report.

**Financial risk management**

Information on the Financial Risk Management of the Company can be found in the Directors' report.

By order of the Board on 26 October 2014



GD Leeming  
Director

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2014.

**Results**

The company's results for the year are set out in the profit and loss account on page 7 showing a profit for the financial year after tax of £nil (2013: £nil). At 31 March 2014 the company had net assets of £20,000 (2013: £20,000).

The Directors have reviewed the company's available resources and consider that the company has adequate resources to continue in existence for a period of at least 12 months following the date of approval of these financial statements. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements

**Future Developments**

The company is not expecting to trade again in the future.

**Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of changes to credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company.

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 ("Babcock") are managed by the group finance department. The Babcock group has a policy and procedures manual that sets out guidelines to allow it to manage financial risks and this is applied by the company.

*Credit risk*

The company no longer trades and therefore is no longer exposed to credit risk.

*Liquidity risk*

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

*Interest rate cash flow risk*

The company had interest bearing assets in the form of cash balances, interest on which was 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.

**Directors of the company**

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

GD Leeming  
F Martinelli

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

Under the company's respective Articles of Association, the directors of the company are, and were during the year to 31 March 2014, entitled to be indemnified by the company against liabilities and costs incurred in connection with the execution of their duties or the exercise of their powers, to the extent permitted by the Companies Act 2006.

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

The directors are responsible for preparing the Strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

### **Disclosure of information to auditors**

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. The company has dispensed with the requirement for an Annual General Meeting and the need to appoint auditors annually.

By order of the Board on ~~24~~ October 2014

  
GD Leeming  
Director

**Independent auditors' report to the members of Babcock Southern Careers Limited**

**Report on the financial statements**

**Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its result 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.

This opinion is to be read in the context of what we say in the remainder of this report.

**What we have audited**

The financial statements, which are prepared by Babcock Southern Careers Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account 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).

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

**What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

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.

**Independent auditors' report to the members of Babcock Southern Careers Limited  
(continued)**

Company registration number: 03007083

---

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

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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 Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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



Michael Coffin (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Southampton, United Kingdom

24 October 2014

**Babcock Southern Careers Limited****Profit and loss account****For year ended 31 March 2014**

|   | Notes | 2014<br>£'000 | 2013<br>£'000 |
|---|-------|---------------|---------------|
| Turnover                                      | 2     | -             | -             |
| Cost of sales                                 |       | -             | -             |
| Gross result                                  |       | -             | -             |
| Administrative expenses                       |       | -             | -             |
| Operating result                              |       | -             | -             |
| Result on ordinary activities before taxation |       | -             | -             |
| Tax on result on ordinary activities          | 3     | -             | -             |
| Result for the financial year                 | 7     | -             | -             |

There are no recognised gains or losses other than the result (*2013: result*) for the year reported above. There is also no difference between the result (*2013: result*) on ordinary activities before taxation for the financial years stated above.

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

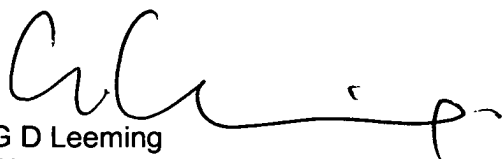
All amounts relate to discontinued operations.



As at 31 March 2014

|  | Notes | 2014<br>£'000 | 2013<br>£'000 |
|--|-------|---------------|---------------|
| <b>Current assets</b>                                  |       |               |               |
| Debtors  | 4     | 93            | 6             |
| Cash at bank and in hand                               |       | -             | 87            |
|  |       | <u>93</u>     | <u>93</u>     |
| <b>Creditors – amounts falling due within one year</b> | 5     | <u>(73)</u>   | <u>(73)</u>   |
| <b>Net current assets</b>                              |       | <u>20</u>     | <u>20</u>     |
| <b>Total assets less current liabilities</b>           |       | <u>20</u>     | <u>20</u>     |
| <b>Net assets</b>                                      |       | <u>20</u>     | <u>20</u>     |
| <b>Capital and reserves</b>                            |       |               |               |
| Called-up share capital                                | 6     | 20            | 20            |
| Profit and loss account                                | 7     | -             | -             |
| <b>Total shareholders' funds</b>                       | 7     | <u>20</u>     | <u>20</u>     |

The financial statements on pages 7-13 were approved by the board of directors and signed on its behalf by:



G D Leeming  
Director

24 October 2014

## **1. Accounting policies**

### *Basis of preparation*

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The Directors have reviewed the company's available resources and consider that the company has adequate resources to continue in existence for a period of at least 12 months following the date of approval of these financial statements. Accordingly, the directors consider it appropriate to continue to adopt the going concern basis in preparing these financial statements.

The principal accounting policies are summarised below, all of which have all been applied consistently throughout the year.

Under Financial Reporting Standard 1 (1996 Revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. In addition, advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Babcock International Group PLC or other group undertakings as the consolidated financial statements of Babcock International Group PLC in which the company is included are publicly available.

### *Turnover*

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

#### *Rendering of services*

Turnover from services rendered is recognised by reference to the stage of completion of the transaction measured by the costs incurred against the total cost to complete. Turnover from services provided on a short-term or one-off basis is recognised when the service is complete.

### *Taxation*

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items and accounting purposes. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19. Deferred taxation assets are recognised only to the extent that in the opinion of the directors, there is a reasonable probability that the asset will crystallise in the foreseeable future. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## **2. Turnover**

Turnover is entirely attributable to the United Kingdom market and entirely attributable to the activities described in the Directors' report.

**3. Tax on result on ordinary activities**

|  | <b>2014</b><br><b>£'000</b> | <b>2013</b><br><b>£'000</b> |
|--|-----------------------------|-----------------------------|
| Current tax  |                             |                             |
| UK Corporation tax on result of the year               | -                           | -                           |
| Current tax charge for the year                        | -                           | -                           |
| Deferred tax:  |                             |                             |
| Origination and reversal of timing differences         | -                           | 12                          |
| Adjustments in respect of deferred tax for prior years | -                           | (12)                        |
| Tax on ordinary activities                             | -                           | -                           |

**Factors affecting the tax charge for the year**

The tax assessed for the year is equal (2013: *equal*) to the standard effective rate of corporation tax in the UK for the year ended 31 March 2013 of 23% (2013: 24%). The differences are explained below:

|   | <b>2014</b><br><b>£'000</b> | <b>2013</b><br><b>£'000</b> |
|---|-----------------------------|-----------------------------|
| Result on ordinary activities before taxation   | -                           | -                           |
| Tax on result on ordinary activities at standard UK corporation tax rate of 23% (2013: 24%) | -                           | -                           |
| Effects of:   |                             |                             |
| Timing differences  | -                           | (12)                        |
| Group relief for nil consideration  | -                           | 12                          |
| Current tax charge for the year   | -                           | -                           |

#### 4. Debtors

|                                    | 2014<br>£'000 | 2013<br>£'000 |
|------------------------------------|---------------|---------------|
| Amounts owed by group undertakings | 93            | 6             |
|                                    | <u>93</u>     | <u>6</u>      |

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

#### 5. Creditors – amounts falling due within one year

|                                    | 2014<br>£'000 | 2013<br>£'000 |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | 73            | 73            |
|                                    | <u>73</u>     | <u>73</u>     |

The amounts owed to group undertakings are unsecured, interest free and repayable on demand.

#### 6. Called-up share capital

|  | 2014<br>£'000 | 2013<br>£'000 |
|--|---------------|---------------|
| <b>Allotted, issued and fully paid</b>               |               |               |
| 15,020 (2013: 15,020) "A" ordinary shares of £1 each | 15            | 15            |
| 3,980 (2013: 3,980) "B" ordinary shares of £1 each   | 4             | 4             |
| 1,000 (2013: 1,000) "C" ordinary shares of £1 each   | 1             | 1             |
|  | <u>20</u>     | <u>20</u>     |

All dividends which shall be declared and distributed shall, for such period as shares in the capital of the company are split between A shares, B shares and C shares be declared and distributed so that:

- the holders of the A shares shall be entitled to receive, in aggregate, 47.5% of the dividends; and
- the holders of the B shares shall be entitled to receive, in aggregate 47.5% of the dividends; and
- the holders of the C shares shall be entitled to receive, in aggregate, 5% of the dividends.

The dividends payable to the holders of the A shares, B shares and C shares respectively shall be paid pro-rata according to the percentage their holding of shares of the respective class bears to the aggregate number of shares of that class in issue.

All three classes of share capital have the same rights and are equally ranked upon winding up of the company.

**7. Reconciliation of movements in shareholders' funds and reserves**

|                               | Called up<br>share capital<br>£'000 | Profit and<br>loss<br>account<br>£'000 | Total<br>£'000 |
|-------------------------------|-------------------------------------|--|----------------|
| At 1 April 2013               | 20                                  | -                                      | 20             |
| Result for the financial year | -                                   | -                                      | -              |
| <b>At 31 March 2014</b>       | <b>20</b>                           | <b>-</b>                               | <b>20</b>      |

**8. Guarantees and financial commitments**

*Contingent liabilities*

At the year end the company had guaranteed or had joint and several liability for drawn Babcock International Group PLC bank facilities of £620.8 million (2013: £658.6 million) provided to certain group companies. In addition, the Company at the year end had joint and several liabilities for the drawn bank overdraft facilities of other group companies of £nil (2013: £nil).

The company is a member of a wider Babcock VAT group, and as a result is jointly and severally liable with the other members for the VAT liability of the group. At 31 March 2014 the accrued VAT liability of the group was £1,403,712 (2013: £2,086,827).

**9. Profit on ordinary activities before taxation**

There were no employees in the year (2013: none)

None of the Directors received remuneration from the company during the year ended 31 March 2014 (2013: None). All of the directors of the company are subject to service agreements with, and are remunerated by, other group or related companies. It is not possible to make an accurate apportionment of their emoluments relating to services provided to the company.

The auditors' remuneration for the current year has been borne by a fellow group company. No fees are paid to PricewaterhouseCoopers LLP in respect of this company other than the statutory audit of the company. Fees for other services provided by the auditor to the group of companies are disclosed on a consolidated basis in the financial statements of Babcock International Group PLC.

**10. Ultimate parent undertaking**

The company's immediate parent company is Babcock International Support Services Limited, a company 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