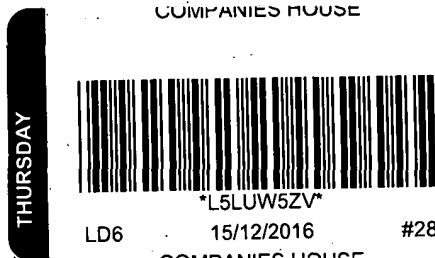


Company number: 03417277

Capital Careers Limited
Annual report
For the year ended 31 March 2016



Capital Careers Limited

Company Information

Current directors

S West

R H Taylor

Company secretary

N J W Borrett

Registered office

33 Wigmore Street

London

W1X 1QX

Independent auditors

RSM UK Audit LLP

Chartered Accountants

3rd Floor

One London Square

Cross Lanes

Guildford

Surrey

GU1 1UN

Strategic report for the year ended 31 March 2016

The directors present their Strategic report on the Company for the year ended 31 March 2016.

Principal activities

The principal activity of the Company was the provision of careers advice and guidance services. The Company ceased these activities in prior years and is not expecting to trade again in the future.

Review of the business

The Company ceased these activities in prior years and is not expecting to trade again in the future. As such, no KPI's are considered relevant.

In the prior year, the directors had completed discussions with Babcock Training Limited with regard to the company's historical pension liabilities which were transferred to Babcock Training Limited following a reorganisation of Guidance enterprises Group pension scheme on 26 March 2013. A charge of £1,000,000 has been recorded by the Company in the prior year representing full and final settlement for this liability.

Principal risks and uncertainties

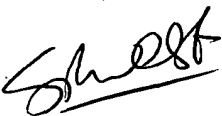
The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties. These are managed through the operational review process supplemented at Group level by independent challenge and review by the Group Risk Manager and the Audit and Risk Committee. The company has ceased trading in prior years and is not expected to trade again.

Risks and uncertainties relevant to the Group are provided in the annual report of Babcock International Group PLC. Details of where this report can be found are provided in note 13.

Future developments

The Company is not expected to trade again in the future.

By order of the board



S West
Director
9 December 2016

Directors' report for the year ended 31 March 2016

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2016.

Dividends

The company is precluded from proposing a dividend in the current and prior year.

Future developments

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

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in liquidity 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.

Liquidity risk

The Company also has access to longer term funding from its ultimate parent undertaking if required.

Directors

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

S West

R H Taylor (appointed 1 July 2016)

G D Leeming (resigned 1 July 2016)

Directors' report for the year ended 31 March 2016 *(continued)*

Safety policy

The Company recognises the promotion of health and safety at work as an important objective. It is Company policy to take steps to ensure, as far as reasonably practical, the health, safety and welfare of the employees of the Company.

Statement as to disclosure of information to auditor

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office and a resolution to reappoint them will be proposed in the forthcoming Annual General Meeting.

Directors' report for the year ended 31 March 2016 (continued)

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;
- notify the Company's shareholders in writing about the use of the disclosure exemptions, if any, of FRS 101 used in the preparation of these 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.

By order of the board



S West
Director
9 December 2016

Independent auditors' report to the members of Capital Careers Limited

Report on the financial statements

We have audited the financial statements on pages 8 to 16. 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".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

RSM UK Audit LLP

CHRISTOPHER HURREN BA FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3rd Floor
One London Square
Cross Lanes
Guildford
GU11UN

13 December 2016

Capital Careers Limited

Statement of comprehensive income for the year ended 31 March 2016

	Note	2016 £000	2015 £000
Administrative expenses	4	-	(1,000)
Operating loss	4	-	(1,000)
Loss on ordinary activities before interest and taxation		-	(1,000)
Loss on ordinary activities before income tax		-	(1,000)
Income tax expense	6	-	-
Loss for the year and other comprehensive income		-	(1,000)

Capital Careers Limited

Statement of financial position as at 31 March 2016

	Note	2016 £000	2015 £000
Current assets			
Trade and other receivables	7	995	995
Trade and other payables – amounts falling due within one year	8	(1,027)	(1,027)
Net current liabilities		(32)	(32)
Total assets less current liabilities		(32)	(32)
Net liabilities		(32)	(32)
Equity			
Called up share capital	9	1	1
Capital redemption reserve	10	17	17
Retained earnings	10	(50)	(50)
Total equity		(32)	(32)

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



S West
Director
9 December 2016

Capital Careers Limited

Statement of changes in equity for the year ended 31 March 2016

	Called-up share capital £000	Capital redemption reserve £000	Retained earnings £000	Total £000
Balance at 1 April 2014	1	17	950	968
Loss and total comprehensive income for the year	-	-	(1,000)	(1,000)
Balance at 31 March 2015	1	17	(50)	(32)
Profit/(loss) and total comprehensive income for the year	-	-	-	-
Balance at 31 March 2016	1	17	(50)	(32)

Notes to the financial statements

1 General information

Capital Careers Limited is a private company which is incorporated and domiciled in the UK. The address of the registered Office is 33 Wigmore Street, London W1X 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. The Company has adopted FRS 101 in these financial statements. Details of the transition to FRS 101 are disclosed in note 14.

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 measure at fair value through profit and loss in accordance with 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 following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Disclosure of the categories of financial instrument and nature and extent of risks arising on these financial instruments.
- The requirement to disclose the valuation techniques applies to assets and liabilities held at fair value.
- The requirement to produce a third party statement of financial position when applying a change in accounting policy, retrospective restatement or reclassification.
- The requirement to disclose information relating to the company's objectives and policies and processes for managing capital.
- The requirement to publish a Statement of Cash Flows.
- The requirement to disclose the future impact of a new IFRS in issue but not effective at the reporting date.
- The requirement to disclose compensation for key management between short term employee benefits, post-employment benefits and other long term benefits.
- The requirement to disclose related party transactions entered into between two or more, wholly owned members of a group.

Notes to the financial statements

2 Summary of significant accounting policies *(continued)*

Going Concern

The Company has ceased to trade and at the Statement of financial position date had net liabilities totalling £31,910. These relate to debtors and creditors due from/to fellow members of the Group of which the Company is a member. Babcock Training Limited, the Company's sole creditor, has agreed not to call debts due to it to the extent that the Company would require additional funding to meet such liabilities. On this basis, the directors feel it is appropriate to prepare the financial statements on a going concern basis.

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 Statement of financial position 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 Statement of financial position 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 areas of judgement

Critical accounting estimates and areas of judgement

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.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There were no estimates and assumptions considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the financial statements

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging :

	2016	2015
	£000	£000
Exceptional item	-	(1,000)
Audit fees payable to the Company's auditor	-	-

Exceptional item

In the prior year, the directors had completed discussions with Babcock Training Limited with regard to the company's historical pension liabilities which were transferred to Babcock Training Limited following a reorganisation of Guidance enterprises Group pension scheme on 26 March 2013. A charge of £1,000,000 has been recorded by the Company in the prior year representing full and final settlement for this liability.

Audit fees

Fees paid to the Company's auditors, RSM UK Audit LLP, and its associates, for services other than statutory audit of the Company, are borne by the ultimate parent undertaking, Babcock International Group PLC and are disclosed in their consolidated financial statements.

5 Staff costs

The Company had no employees in the year (2015: none) except directors who received no remuneration from the company.

6 Income tax

Tax expense included in income statement

	2016	2015
	£000	£000
Current tax:		
UK Corporation tax on profit/(loss) for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-

Tax expense for the year is equal to (2015: lower than) the standard effective rate of corporation tax in the UK for the year ended 31 March 2016 of 20% (2015: 21%). The differences are explained below:

Notes to the financial statements

6 Income tax (continued)

	2016 £000	2015 £000
Loss on ordinary activities before taxation	-	(1,000)
Loss on ordinary activities multiplied by standard UK corporation tax rate of 20% (2015: 21%)	-	(210)
Effects of:		
Expenses not deductible for tax purposes	-	210
Transfer pricing adjustments	3	3
Group relief (claimed) for nil consideration	(3)	(3)
Tax charge for the year	-	-

In the 2015 Budget, it was announced that the UK corporation tax rate will reduce from 20% to 19% from April 2017. It was further announced in the 2016 Budget that it will be further reduced to 18% from April 2020. As a result of this change, UK deferred tax balances have been re-measured at 18% as this is the tax rate that will apply on reversal.

7 Trade and other receivables

	2016 £000	2015 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	995	995
	995	995

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

8 Trade and other payables

	2016 £000	2015 £000
Amounts falling due within one year:		
Amounts owed to parent and group undertakings	1,000	1,000
Accruals and deferred income	27	27
	1,027	1,027

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

Notes to the financial statements

9 Share capital

	2016 £000	2015 £000
Allotted and fully paid		
10,000 ordinary shares of 10p each (2015: 10,000)	1	1
	<u>1</u>	<u>1</u>

Ordinary share rights

The holders of the company's ordinary shares, which carry no right to fixed income, are entitled to one vote at general meetings of the company.

10 Reserves

Called-up share capital

Represents the nominal value of shares that have been issued.

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss account

Represents all current and prior period retained profits and losses.

11 Guarantees and financial commitments

Contingent liabilities

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 2016 the accrued VAT liability of the group was £1,796,024 (2015: £1,707,950). **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.

Transactions entered into and trading balances outstanding at 31 March 2016 for other group entities that are related parties by virtue of common control 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 Careers Guidance Limited	-	-	995	-
Babcock Training Limited	-	-	-	(1,000)

Notes to the financial statements

12 Related party disclosures *(continued)*

Transactions entered into and trading balances outstanding at 31 March 2015 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 Careers Guidance Limited	-	-	995	-
Babcock Training Limited	-	-	-	(1,000)

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

13 Ultimate parent undertaking

The Company's immediate parent company is Babcock Careers Guidance 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 W1X 1QX

14 Transition to FRS 101

On conversion to FRS 101, there have been no changes to the company's equity as at 1 April 2014 or 31 March 2015 and consequently, there have been no changes to the total comprehensive income for the year ended 31 March 2016. In this context, no transition reconciliation on first time adoption has been presented with these financial statements.