
**Babcock Defence and Security
Investments Limited**

**Annual Report
For the year ended 31 March 2017**

**Company Registration Number:
08132272**

FRIDAY



A6GY3UB4

A26

13/10/2017

#279

COMPANIES HOUSE

Babcock Defence and Security Investments Limited

Directors and advisors

Current directors

F Martinelli
I Urquhart

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

Strategic report

The directors present their Strategic report on the Company for the year ended 31 March 2017.

Principal activities

The principal activity of the Company is that of an investment holding company.

Review of the business

Over the course of the year, the Company's core business activities continued to perform in line with expectations in its role as an investment holding company. During the year, the Company received dividends of £6,700,000 (2016: £4,050,000). At 31 March 2017 the Company had net assets of £81,744,000 (2016: £74,022,000).

The Company derives its operating income from the deferred income release of commitment and arrangement fees for an associated undertaking. The Company's interest receivable income is mainly derived from loans with the associated undertakings.

Future developments

The Company will continue to act as an investment holding company and receive income from its associated undertakings. The directors are therefore confident about the future trading prospects of the Company and it continues to operate as a going concern.

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 Babcock International Group PLC (the "Group") level by independent challenge and review by the Group Risk Manager and the Audit and Risk Committee.

The key risks and uncertainties affecting the Company are considered to be related to contractual performance and the political and regulatory environment. The Company's business is susceptible to individual contract performance of the Company's associated undertakings. All of these contracts 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.

Key performance indicators

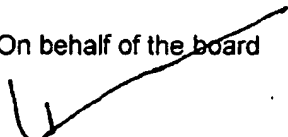
The Company's activities are managed on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The growth and performance of Babcock Defence & Security, a division of Babcock International Group PLC, which includes the Company, is discussed on pages 30 to 37 and 44 to 47 of the Group's report, which does not form part of this report.

Strategic report *(continued)*

Financial risk management

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

On behalf of the board

A handwritten signature in black ink, appearing to be 'I Urquhart', written over the text 'On behalf of the board'.

I Urquhart

Director

26 July 2017

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2017.

Results and dividends

The Company's results for the year are set out in the income statement on page 10 showing a profit for the financial year after taxation of £7,722,000 (2016: £5,277,000). At 31 March 2017, the Company had net assets of £81,744,000 (2016: £74,022,000).

During the year, the Company received dividends of £4,700,000 (2016: £4,050,000) from ALC (Superholdco) Limited and dividends of £2,000,000 (2016: £nil) from Ascent Flight Training (Holdings) Limited, both associated undertakings of the Company.

No interim dividend was declared (2016: £nil). The directors do not propose the payment of a final dividend (2016: £nil).

Future developments

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

Financial risk instruments

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 cash flow 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. Each 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

The Company monitors existing customer accounts on an on-going basis and takes appropriate action where necessary to minimise any potential 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 longer term funding from its ultimate parent undertaking if required.

Interest rate cash flow risk

The Company has interest-bearing assets. The interest-bearing assets earn interest at fixed and floating rates. The Company does not use derivative financial instruments to manage interest rate costs and, as such, no hedge accounting is applied.

Directors' report (continued)

Directors

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

F Martinelli
I Urquhart

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK 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 responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' protection

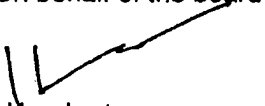
Babcock International Group PLC provides protections for directors of Companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third party indemnity provisions (as defined by Companies Act 2006) for the benefit of members of Babcock 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.

Directors' report *(continued)*

Statement of disclosure of information to auditors

Each director, as at the date of this report, has confirmed that in so far as they are aware there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

On behalf of the board



I Urquhart

Director

26 July 2017

Independent auditors' report to the members of Babcock Defence and Security Investments Limited

Report on the financial statements

Our opinion

In our opinion, Babcock Defence and Security Investments Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 31 March 2017;
- the ~~Income statement and~~ Statement of Comprehensive Income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic report and the Directors' report. We have nothing to report in this respect.

Independent auditors' report to the members of Babcock Defence and Security Investments Limited (*continued*)

What an audit of financial statements involves (*continued*)

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Michael Coffin (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

26 July 2017

Independent auditors' report to the members of Babcock Defence and Security Investments Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

Babcock Defence and Security Investments Limited

Statement of Comprehensive Income

Income statement

for the year ended 31 March 2017

	Note	2017 £000	2016 £000
Operating expenses		(88)	-
Other operating income		14	14
<i>(loss)/</i> Operating profit	4	(74)	14
Income from shares in group undertakings	15	6,700	4,050
Finance income	5	1,096	1,213
Profit before taxation		7,722	5,277
Income tax expense	8	-	-
Profit and total comprehensive <i>income</i> for the financial year		7,722	5,277

All of the above results derive from continuing operations.

Babcock Defence and Security Investments Limited

Balance sheet as at 31 March 2017

	Note	2017 £000	2016 £000
Non-current assets			
Investments	9	34,990	34,990
Current assets			
Trade and other receivables	10	42,653	23,866
Cash and cash equivalents		4,648	15,727
		<u>47,301</u>	<u>39,593</u>
Trade and other payables: amounts falling due within one year	11	(358)	(358)
Net current assets		<u>46,943</u>	<u>39,235</u>
Total assets less current liabilities		81,933	74,225
Trade and other payables: amounts falling due after more than one year	12	(189)	(203)
Net assets		<u>81,744</u>	<u>74,022</u>
Equity			
Called up share capital	13	-	-
Share premium account		54,060	54,060
Retained earnings		27,684	19,962
Total shareholders' funds		<u>81,744</u>	<u>74,022</u>

The notes on pages 13 to 21 are an integral part of these financial statements.

The financial statements on pages 10 to 21 were approved by the board of directors and signed on its behalf by:


I Urquhart
 Director
 Babcock Defence and Security Investments Limited

26 July 2017

Babcock Defence and Security Investments Limited**Statement of changes in equity**
for the year ended 31 March 2017

	Called up share capital £000	Share premium account £000	Retained earnings £000	Total shareholders' funds £000
Balance at 1 April 2015	-	54,060	14,685	68,745
Profit and total comprehensive income for the financial year	-	-	5,277	5,277
Balance at 31 March 2016	-	54,060	19,962	74,022
Balance at 1 April 2016	-	54,060	19,962	74,022
Profit and total comprehensive income for the financial year	-	-	7,722	7,722
Balance at 31 March 2017	-	54,060	27,684	81,744

The notes on pages 13 to 21 form an integral part of these financial statements.

Babcock Defence and Security Investments Limited

Notes to the financial statements

1 General information

Babcock Defence and Security Investments Limited is a private company limited by shares 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. The Company has adopted FRS 101 in these financial statements.

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 certain financial assets and liabilities measured at fair value through the income statement, and in accordance with the Companies Act 2006. The financial statements are prepared in pounds sterling which is the functional 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 area involving a higher degree of judgement or complexity, or area where assumptions and estimates are significant to the financial statements is disclosed in note 3.

The Company is a wholly owned subsidiary of Babcock Defence & Security Holdings LLP 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 and the shareholders of the Company have been notified accordingly:

- a) IFRS 7, 'Financial Instruments: Disclosures'.
- b) Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosures of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- c) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information in respect of:
 - paragraph 79(a) (iv) of IAS 1;
- d) The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), 10(f), 16, 38, 40, 111, and 134-136
- e) IAS 7, 'Statement of cash flows'
- f) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'
- g) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Notes to the financial statements (continued)

2 Summary of significant accounting policies (continued)

Basis of preparation (continued)

- h) Paragraphs 130(f) (ii), 130(f) (iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36, 'Impairment of assets (disclosures when the recoverable amount is fair value less costs of the disposal, assumptions involved in estimating recoverable amounts of cash generating units containing goodwill or intangible assets with indefinite useful lives and management's approach to determining these amounts).

Going concern

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.

Investments

Fixed asset investments are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential 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.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Babcock Defence and Security Investments Limited

Notes to the financial statements *(continued)*

2 Summary of significant accounting policies *(continued)*

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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 reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the 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 estimates and judgements have had the most significant effect on amounts recognised in the financial statements.

Investments

The Company holds investments at the fair value of the assets, liabilities and contract intangible acquired being the consideration paid at the date of acquisition. Any provision for impairment is assessed by management on a regular basis considering the future economic inflows that management believe will be realised from the investment.

4 Operating profit ~~loss~~

Fees payable for the statutory audit of the financial statements have been borne by the Company's immediate parent undertaking, Babcock Defence & Security Holdings LLP and no allocation has been made.

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.

Operating profit is stated after charging impairments to receivables of £88,000 (2016: £nil).

5 Finance income

	2017 £000	2016 £000
Loan interest from associated undertakings	1,089	1,188
Bank interest	7	25
	<u>1,096</u>	<u>1,213</u>

Babcock Defence and Security Investments Limited

Notes to the financial statements *(continued)*

6 Staff costs

No staff were employed by the Company during the current or prior year.

7 Directors' remuneration

The emoluments of the directors, including pension contributions, are borne by another Babcock International Group company in their role as executives of those companies. No part of their emoluments could be attributed to their services in respect of the Company

8 Income tax expense

	2017 £000	2016 £000
Current tax		
Current tax charge on profit for the year	-	-
Current tax charge for the year	-	-
Income tax expense	-	-

The tax assessed for the year is lower (2016: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2017 of 20% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities	7,722	5,277
Profit on ordinary activities at standard UK corporation tax rate of 20% (2016: 20%)	1,544	1,055
Income not subject to UK taxation	(1,322)	(810)
Group relief claimed for nil consideration	(222)	(245)
Total tax charge for the year	-	-

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.

Babcock Defence and Security Investments Limited

Notes to the financial statements *(continued)*

9 Investments

	Shares in associated undertakings £000
At 1 April 2015	34,975
Additions	15
At 31 March 2016	<u>34,990</u>
At 1 April 2016	34,990
Additions	-
At 31 March 2017	<u>34,990</u>

Investments comprise equity shares in associated undertakings which were acquired on the 4 December 2012. An additional investment of £15,000 was made in Ascent Flight Training (Holdings) Limited on the 29 January 2016.

A list of associated undertakings can be found in note 15.

The directors believe that the carrying value of the investments is supported by their underlying net assets or value in use.

Babcock Defence and Security Investments Limited

Notes to the financial statements (continued)

10 Trade and other receivables

	2017	2016
	£000	£000
Amounts falling due within one year:		
Amounts owed by Group undertakings	33,200	13,200
Amounts owed by associated undertakings	790	544
	<u>33,990</u>	<u>13,744</u>
Amounts falling due after more than one year:		
Amounts owed by associated undertakings	8,663	10,122
	<u>42,653</u>	<u>23,866</u>

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment, are repayable on demand and are held at amortised cost.

Amounts owed by associated undertakings include three loans, one with each of the associated undertakings all of which are repayable in accordance with fixed repayment schedules. ALC (Superholdco) Limited accrues interest at 12%, and ~~£2,947,000 (2016: £3,252,000) is due after more than one year~~, Ascent Flight Training (Holdings) Limited accrues interest at 12% and ~~£2,783,000 (2016: £2,906,000) is due after more than one year~~. Holdfast Training Services Limited accrues interest at 8%, and ~~£3,721,000 (2016: £4,087,000) is due after more than one year. (See note 15)~~

11 Trade and other payables – amounts falling due within one year

	2017	2016
	£000	£000
Deferred operating income	14	14
UK Corporation tax	344	344
	<u>358</u>	<u>358</u>

The Company has access to the Babcock International Group PLC overdraft facility (Note 14).

Deferred operating income is receivable representing commitment and arrangement fees in assisting Ascent Flight Training (Holdings) Limited in gaining their loan notes and is being amortised over the life of the loan notes.

Babcock Defence and Security Investments Limited

Notes to the financial statements (continued)

12 Trade and other payables – amounts falling due after more than one year

	2017	2016
	£000	£000
Deferred operating income	189	203
	<u>189</u>	<u>203</u>

Deferred operating income is receivable representing commitment and arrangement fees in assisting Ascent Flight Training (Holdings) Limited in gaining their loan notes and is being amortised over the life of the loan notes.

13 Called up share capital

	2017	2016
	£	£
Allotted and fully paid		
202 ordinary shares of £1 each (2016 : 202)	202	202
	<u>202</u>	<u>202</u>

14 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 £nil (2016: £nil) 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 (2016: £nil).

Babcock Defence and Security Investments Limited

Notes to the financial statements (continued)

15 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 consolidated financial statements are publicly available.

During the year the Company also entered into transactions in the ordinary course of business with its associates.

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

	Opening balance due to the Company £'000	Interest charged to the associate £'000	Repayments made by the associate £'000	Impairment of amounts due to the Company £'000	Closing balance due to the Company £'000
Associate					
ALC (Superholdco) Limited	3,339	390	695	88	2,946
Ascent Flight Training (Holdings) Limited	2,907	338	459	-	2,786
Holdfast Training Services Limited	4,420	361	1,060	-	3,721
	10,666	1,089	2,214	88	9,453
Falling due within one year	544				790
Falling due after more than one year	10,122				8,663
	10,666				9,453

During the year, dividends of £4,700,000 were received from ALC (Superholdco) Limited (2016: £4,050,000) and £2,000,000 were received from Ascent Flight Training (Holdings) Limited (2016: £nil).

Babcock Defence and Security Investments Limited

Notes to the financial statements (continued)

16 Associated undertakings

The associated undertakings of the Company at 31 March 2017 are shown below. The Company and its associated undertakings are all incorporated and domiciled in England and Wales. All holdings are in relation to ordinary shares.

Name	Principal activity	Percentage held
ALC (Superholdco) Limited 1	Provision of vehicles	50%
Ascent Flight Training (Holdings) Limited 2	Provision of flight training services	50%
Holdfast Training Services Limited 3	Provision of training services	74%

The Company also has the following indirect associated undertakings:

Name	Principal activity	Percentage held
ALC (FCM) Limited 1	Provision of vehicles	50%
ALC (Holdco) Limited 1	Provision of vehicles	50%
ALC (SPC) Limited 1	Provision of vehicles	50%
Ascent Flight Training (Management) Limited 2	Provision of flight training services	50%
Ascent Flight Training (Services) Limited 2	Provision of flight training services	50%
Advanced Jet Training Holdings Limited 2	Provision of flight training services	50%
Advanced Jet Training Limited 2	Provision of flight training services	50%
Fixed Wing Training Holdings Limited 2	Provision of flight training services	50%
Fixed Wing Training Limited 2	Provision of flight training services	50%
Rotary Wing Training Limited 2	Provision of flight training services	50%
Rear Crew Training Holdings Limited 2	Provision of flight training services	50%
Rear Crew Training Limited 2	Provision of flight training services	50%

Registered addresses:

- 1 The Sherard Building, Edmund Halley Road, Oxford OX4 4DQ
- 2 33 Wigmore Street, London W1U 1QX
- 3 33 Wigmore Street, London W1U 1QX

Notes to the financial statements *(continued)*

17 Ultimate parent undertaking

The immediate parent undertaking is Babcock Defence & Security Holdings LLP, a limited liability partnership 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