

**Babcock Aviation Services (Holdings) Limited**

**Annual report**

**For the year ended 31. March 2020**

**Company registration number:**

**8993601**



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## **Babcock Aviation Services (Holdings) Limited**

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### **Directors and advisors**

#### **Current directors**

I Urquhart  
N Borrett  
B Davey (Appointed on 21 January 2020)

#### **Company secretary**

Babcock Corporate Secretaries Limited

#### **Registered office**

33 Wigmore Street  
London  
W1U 1QX

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

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## **Babcock Aviation Services (Holdings) Limited**

### **Strategic report for the year ended 31 March 2020**

The directors present their Strategic report on the Company for the year ended 31 March 2020.

#### **Principal activities**

The principal activity of the Company continues to be that of a holding company. The directors do not anticipate any change in the nature of the Company's activities during the financial year.

#### **Review of the business**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Loss for the financial year	<b>(551,441)</b>	<b>(13,773)</b>

During the financial year the Company received £116,875,000 (2019: £nil) in dividends from subsidiary undertakings.

#### **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.

Further discussion of these risks and uncertainties, in the context of the Group as a whole and including the expected impact of COVID-19 is provided on pages 80 to 92 of the annual report of Babcock International Group PLC, which does not form part of this report.

#### **Key performance indicators**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **S172(1) statement and stakeholder engagement.**

The Directors have acted in a way that they consider, in good faith, to be most likely to promote the long-term success of the Company for the benefit of the Shareholders as a whole while having regard for all stakeholders. Stakeholder engagement is managed in accordance with Group policies and procedures which are discussed on pages 30 and 31 of the annual report of Babcock International Group PLC, which does not form part of this report.



On behalf of the Board

I Urquhart  
**Director**

02 February 2021

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## **Babcock Aviation Services (Holdings) Limited**

### **Directors' report for the year ended 31 March 2020**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2020.

#### **Dividends**

No final dividend for the year ended 31 March 2020 has been provided by the directors (2019: £nil).

#### **Future developments**

There are no plans to significantly alter the business of the Company.

#### **Going concern**

Despite the Company being in a net current liability position, the financial statements have been prepared on a going concern basis as Babcock (UK) Holdings Limited, an intermediate parent company, intends to support the Company to ensure it can meet its obligations as they fall due. The Directors have received written confirmation that Babcock (UK) Holdings Limited intends to support the Company for at least one year from the date the financial statements were authorised.

#### **Financial risk management**

All treasury transactions are carried out only with prime rated counter-parties. Financial Risk is managed in accordance with Group policies and procedures which are discussed on pages 65 to 67 and Note 2 of the annual report of Babcock International Group PLC, which does not form part of this report.

#### **Directors**

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

I Urquhart  
F Martinelli (resigned 30 November 2020)  
N Borrett  
B Davey

#### **Preference shares**

The redemption date for the Euro preference shares was extended by mutual agreement to 31 March 2021 (or earlier with the agreement of both parties).

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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## **Babcock Aviation Services (Holdings) Limited**

### **Directors' report for the year ended 31 March 2020 (*continued*)**

#### **Statement of directors' responsibilities in respect of the financial statements (*continued*)**

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

#### **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.

#### **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.

#### **Reappointment of auditors**

PricewaterhouseCoopers LLP were reappointed as auditors at the Annual General Meeting.

On behalf of the Board



I Urquhart  
**Director**

02 February 2021

# ***Independent auditors' report to the members of Babcock Aviation Services (Holdings) Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Babcock Aviation Services (Holdings) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 31 March 2020; the Income statement, the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **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.

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### **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 where:

- 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.

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### **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 2020 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.

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### **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 in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### *Auditors' responsibilities for the audit of the financial statements*

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

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](http://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.

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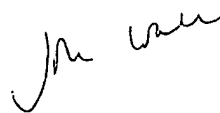
## **Other required reporting**

### **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.



John Waters (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
2 February 2021

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**Babcock Aviation Services (Holdings) Limited****Income statement***for the year ended 31 March 2020*

	Note	2020 £000	2019 £000
Administrative (expense)/income		<u>(117,952)</u>	<u>11,177</u>
<b>Operating (loss)/profit</b>	4	<b>(117,952)</b>	<b>11,177</b>
Amounts written off in investments	7	<b>(550,477)</b>	-
Income from shares in group undertakings		<u>116,875</u>	<u>-</u>
<b>(Loss)/Profit before interest and taxation</b>		<b>(551,554)</b>	<b>11,177</b>
Finance income	5	<b>43,760</b>	10,385
Finance costs	5	<u><b>(43,647)</b></u>	<u>(35,335)</u>
<b>Loss before income tax</b>		<b>(551,441)</b>	<b>(13,773)</b>
Income tax expense	6	<u>-</u>	<u>-</u>
<b>Loss for the financial year</b>		<u><b>(551,441)</b></u>	<u><b>(13,773)</b></u>

All of the above results derive from continuing operations.

**Statement of comprehensive income***For the year ended 31 March 2020*

	2020 £000	2019 £000
Loss for the financial year	<u>(551,441)</u>	<u>(13,773)</u>
<b>Total comprehensive expense for the year</b>	<u><b>(551,441)</b></u>	<u><b>(13,773)</b></u>



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**Babcock Aviation Services (Holdings) Limited****Balance sheet**  
*as at 31 March 2020*

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Investments	7	<u>1,157,337</u>	<u>1,707,814</u>
<b>Current assets</b>			
Trade and other receivables – amounts falling due within one year	8	<u>657,276</u>	<u>74,706</u>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	9	<u>(1,594,875)</u>	<u>(1,011,936)</u>
Bank loans and overdraft		<u>(595)</u>	<u>-</u>
		<u>(1,595,470)</u>	<u>(1,011,936)</u>
<b>Net current liabilities</b>		<u>(938,194)</u>	<u>(937,230)</u>
<b>Net assets</b>		<u>219,143</u>	<u>770,584</u>
<b>Equity</b>			
Called up share capital	11	-	-
Share premium account		805,000	805,000
Accumulated losses		<u>(585,857)</u>	<u>(34,416)</u>
<b>Total shareholder's funds</b>		<u>219,143</u>	<u>770,584</u>

The notes on pages 10 to 19 are an integral part of these financial statements.

The financial statements on pages 7 to 19 were approved by the Board of directors and signed on its behalf by:



I Urquhart  
Director

02 February 2021

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**Babcock Aviation Services (Holdings) Limited****Statement of changes in equity**  
*for the year ended 31 March 2020*

	<b>Called up share capital £000</b>	<b>Share premium account £000</b>	<b>Accumulated losses £000</b>	<b>Total shareholder's funds £000</b>
<b>Balance at 1 April 2018</b>	-	805,000	(20,643)	784,357
Loss for the financial year	-	-	(13,773)	(13,773)
<b>Balance at 31 March 2019</b>	-	805,000	(34,416)	770,584
Loss for the financial year	-	-	(551,441)	(551,441)
<b>Balance at 31 March 2020</b>	-	805,000	(585,857)	219,143

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## **Babcock Aviation Services (Holdings) Limited**

### **Notes to the financial statements**

#### **1 General information**

Babcock Aviation Services (Holdings) Limited is a private company which is incorporated and domiciled in the UK. The address of the registered Office is 33 Wigmore Street, London W1U 1QX.

#### **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

##### **Basis of preparation**

The financial statements have been prepared in accordance with 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 measured at fair value through profit and loss in accordance with the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £'000.

The financial statements have been prepared on a going concern basis as Babcock (UK) Holdings Limited, an intermediate parent company, intends to support the Company to ensure it can meet its obligations as they fall due. The directors have received confirmation that Babcock (UK) Holdings Limited intends to support the Company for at least one year from the date the financial statements were authorised.

The Company is a wholly owned subsidiary of Babcock Holdings Limited and is included in the consolidated financial statements of Babcock International Group PLC which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of 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 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 following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- a) Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share based payments'
- b) IFRS 7, 'Financial instruments: Disclosures'
- c) 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)
- d) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information in respect of:
  - paragraph 79(a) (iv) of IAS 1 Share capital and reserves;
  - paragraph 73(e) of IAS 16 Property, plant and equipment; and
  - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- e) The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), 10(f), 16, 38, 40, 111, and 134-136
- f) IAS 7, 'Statement of cash flows'
- g) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'

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## **Babcock Aviation Services (Holdings) Limited**

### **Notes to the financial statements *(continued)***

#### **2 Summary of significant accounting policies *(continued)***

##### **Basis of preparation *(continued)***

- h) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation
- i) The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

##### **Investments**

Fixed asset investments are stated at cost less provision for impairment in value.

##### **Trade receivables**

Trade receivables are stated at their cost less provision for bad debts. A provision for bad debt is established when there is objective evidence that the collection of the debt is no longer probable.

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are initially recognised at fair value, which is usually original invoice amount and are subsequently held at amortised cost using the EIR method (although, in practice, the discount is often immaterial). If payment is due within one year or less payables are classified as current liabilities. If not, they are presented as non-current liabilities.

##### **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.

##### **Cross currency and interest rate swaps**

Derivatives are initially recognised at fair value on the date a derivative is entered into and are subsequently remeasured at their fair value. Any movement in their fair values is recognised in the income statement immediately.

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## Babcock Aviation Services (Holdings) Limited

### Notes to the financial statements (continued)

#### 3 Critical accounting estimates and judgements

In the course of preparation of the financial statements no judgements have been made in applying the Company's accounting policies, other than those involving estimates, that have had a material effect on the amounts recognised in the financial statements. The application of the Company's accounting policies requires the use of estimates and the inherent uncertainty in forward looking estimates may result in a material adjustment to the carrying amount of assets and liabilities in the next financial year. Critical accounting estimates are subject to continuing evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable in light of known circumstances. No critical accounting estimates have been identified.

#### 4 Operating (loss)/profit

	2020 £000	2019 £000
Foreign exchange (loss)/gain	(28,349)	11,177
Intercompany write-off	(89,603)	-

The foreign exchange loss (2019: gain) has arisen on revaluation of intercompany creditor balances denominated in foreign currency.

During the year Babcock Aviation Services (Holdings) Limited released Babcock Mission Critical Services Limited from all of their obligations under outstanding loan notes. This amounted to the total intercompany write-off balance above.

The fee payable to the parent auditors and its associates in respect of the audit of the Company's financial statements was £2,200 (2019: £2,094) and was borne by Babcock International Limited.

There were no staff employed by the Company during the current or prior year. All Directors emoluments are paid by Babcock International Limited and amounts for services to the Company are immaterial.

#### 5 Finance income and costs

	2020 £000	2019 £000
<b>Finance income:</b>		
Fair value gain on cross currency swap	43,760	10,385

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**Babcock Aviation Services (Holdings) Limited****Notes to the financial statements (continued)****5 Finance income and costs (continued)**

	2020 £000	2019 £000
<b>Finance costs:</b>		
Net loan interest payable on cross currency swaps	(2,053)	(3,355)
Interest payable on preference shares	(21,138)	(21,275)
Fair value loss on preference shares	(17,850)	(10,385)
Interest payable on intercompany loans	(2,606)	(320)
	<u>(43,647)</u>	<u>(35,335)</u>

**6 Income tax expense**

Tax expense for the year is higher (2019: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2020 of 19% (2019: 19%). The differences are explained below:

	2020 £000	2019 £000
Loss before taxation	<u>(551,441)</u>	<u>(13,773)</u>
Loss multiplied by standard UK corporation tax rate of 19% (2019: 19%)	(104,774)	(2,617)
Effects of:		
(Income)/Expenses not deductible for tax purposes	77,462	4,153
Group relief surrendered/(claimed) for nil consideration	<u>27,312</u>	<u>(1,536)</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

In the UK 2020 Budget it was announced that the UK corporation tax rate would not reduce to 17% but would remain at 19% from April 2020. As a result of this change, UK deferred tax balances have been re-measured at 19% as this is the tax rate that will apply on reversal.

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**Babcock Aviation Services (Holdings) Limited****Notes to the financial statements (continued)****7 Investments**

	2020 £000	2019 £000
<b>Cost</b>		
At 1 April	1,720,814	1,395,291
Additions	-	325,523
<b>At 31 March</b>	<b>1,720,814</b>	<b>1,720,814</b>
<b>Provision for impairment</b>		
At 1 April	(13,000)	(13,000)
Impairment	(550,477)	-
<b>At 31 March</b>	<b>(563,477)</b>	<b>(13,000)</b>
<b>Net book value</b>		
<b>At 31 March</b>	<b>1,157,337</b>	<b>1,707,814</b>

During the financial year the Company received £116,875,000 (2019: £nil) dividends from Babcock Ireland Finance Limited.

The investment in Babcock Aviation Services (Holdings) SL was impaired by £5,000 (2019: £nil) as the carrying amount of the investment exceeded the investee's net assets.

The investment in Babcock International Holdings Limited was impaired by £35,161,000 (2019: £nil) as the carrying amount of the investment exceeded the investee's net assets.

The investment in Babcock Ireland Finance Limited was impaired by £515,311,000 (2019: £nil) as the carrying amount of the investment exceeded the investee's net assets.

On 23 January 2019, the Company subscribed for 253,136,179 ordinary shares in Babcock International Holdings Limited, at €1 each.

On 5 March 2019, the Company subscribed for 111,943,451 ordinary shares in Babcock International Holdings Limited, at €1 each.

A full list of related undertakings for the Company have been disclosed in note 13.

**8 Trade and other receivables - amounts falling due within one year**

	2020 £000	2019 £000
Amounts due from group undertakings	652,834	70,401
Loan receivables	4,442	4,305
	<b>657,276</b>	<b>74,706</b>

Amounts due from group undertakings are unsecured, non-interest bearing and repayable on demand.

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**Babcock Aviation Services (Holdings) Limited**

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**Notes to the financial statements (continued)****9 Creditors - amounts falling due within one year**

	2020 £000	2019 £000
Amounts due to parent and group undertakings	1,014,417	449,328
Preference shares	579,240	561,390
Corporation tax liability	1,218	1,218
	<u>1,594,875</u>	<u>1,011,936</u>

Amounts due to group undertakings are non-interest bearing and repayable on demand.

Preference shares include:

- €514,650,000 (2019: €514,650,000) maturing on 31 March 2021 bearing interest at EURIBOR +4% to Babcock International Group PLC; and
- €137,516,000 (2019: €137,516,215) maturing on 31 March 2021 bearing interest at EURIBOR +4% to Babcock Holdings Limited

During the current year the redemption date for both of the above preference shares was extended by mutual agreement from 31 March 2020 to 31 March 2021 (or earlier with the agreement of both parties).

**10 Cross currency and interest rate swap**

On 29 July 2014, the Company entered into a derivative with Babcock Ireland Finance Limited. This was net settled on 25<sup>th</sup> March 2020. Details are as follows:

	Amount €000	Amount at swapped rates £000	Swap %	Maturity
Cross currency swap	652,166	515,546	6 month LIBOR rate plus 4% to 6 month EURIBOR rate plus 4%	25/03/2020

The impact of the derivative in the income statement has been disclosed in note 5.

The Company has taken advantage of the exemptions within FRS 101 not to disclose all IFRS 7 and IFRS 13 requirements, 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 with compliance to IFRS.



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**Babcock Aviation Services (Holdings) Limited**

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**Notes to the financial statements (continued)****11 Called up share capital**

	2020 £	2019 £
<b>Allotted and fully paid</b>		
200 (2019: 200) ordinary shares of £1 each	<b>200</b>	<b>200</b>

**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.

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## Babcock Aviation Services (Holdings) Limited

### Notes to the financial statements (continued)

#### 13 Related party undertakings

All related undertakings for the Company are as listed below:

<u>Name</u>	<u>Address</u>	<u>Holding %</u>
Babcock (Ireland) Treasury Limited	Custom House Plaza, Block 6, IFSC, Dublin, DUBLIN 1, Ireland	100.00%
Babcock Aviation Services Holdings International Limited	Verdala Business Centre, Level 1, LM Complex, Brewery Street, Mriehel, Birkirkara, BKR 3000, Malta	49.82%
Babcock Aviation Services Holdings, S.L.*	Plaza Pablo Ruiz, Picasso 1, Torre Picasso, 28020, Madrid, Spain	100.00%
Babcock Emergencias Aéreas España Holding, S.L.U.	Avenida de Burgos, 17, 7a planta, 28036, Madrid, Spain	49.82%
Babcock Engineering Portugal, Unipessoal, LDA	Heliponto de Salemas, Lousa, 2670-769, Lisboa, Loures, Portugal	100.00%
Babcock Europe Finance Limited	Verdala Business Centre, Level 1, LM Complex, Brewery Street, Mriehel, Birkirkara, BKR 3000, Malta	100.00%
Babcock Holdings (Italy) S.p.A.	Piazza Castello 26, 20121, Milan, Italy	49.82%
Babcock International France Aviation SAS	Lieu dit le Portaret, 83340, Le Cannet-des-Maures, France	100.00%
Babcock International France SAS	4 rue Lord Byron, 75008, Paris, France	100.00%
Babcock International France Terre SAS	4 rue Lord Byron, 75008, Paris, France	100.00%
Babcock International Holdings Limited*	Verdala Business Centre, Level 1, LM Complex, Brewery Street, Mriehel, Birkirkara, BKR 3000, Malta	100.00%
Babcock International Italy S.p.A.	Piazza Castello no.26 - 20121 Milan, Italy	100.00%
Babcock International Spain S.L.U.	Mutxamel, Alicante, Aeródromo de Mutxamel, 03110, Partida la Almaina 92, Spain	100.00%
Babcock Investments (Number Nine) Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Ireland Finance Limited*	44 Esplanade, St Helier, JE4 9WG, Jersey	100.00%
Babcock Malta (Number Two) Limited	44 Esplanade, St Helier, JE4 9WG, Jersey	100.00%
Babcock MCS Congo SA	Avenue Charles de Gaulle, PB 5871, Pointe-Noire, PB 5871, The Republic of Congo	100.00%
Babcock MCS Fleet Management S.p.A.	Piazza Castello no. 26, 20121, Milan, Italy	100.00%
Babcock MCS Ghana Limited	2nd Floor, Opeibea House, 37 Liberation Road, P.O. Box CT 9347, Cantonments, Accra, Ghana	90.00%
Babcock Mission Critical Services (Ireland) Limited	13-18 City Quay, Dublin, Dublin 2, Ireland	49.82%
Babcock Mission Critical Services Asset Management SAU	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	100.00%
Babcock Mission Critical Services Design and Completions Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Mission Critical Services España SAU	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	49.82%
Babcock Mission Critical Services Fleet Management SAU	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	100.00%
Babcock Mission Critical Services France SA	Lieu dit le Portaret, 83340, Le Cannet-des-Maures, France	49.82%
Babcock Mission Critical Services Galicia SL	Lugar Lavacolla-Aeropuerto Santiago, S/N, C.P., 15820, Santiago de Compostela, A Coruna, Spain	91.11%

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**Babcock Aviation Services (Holdings) Limited****Notes to the financial statements (continued)****13 Related party undertakings (continued)**

<b><u>Name</u></b>	<b><u>Address</u></b>	<b><u>Holding %</u></b>
Babcock Mission Critical Services Germany GmbH	Augsburg Airport, Flughafenstrasse 19, 86169 Augsburg, Germany	100.00%
Babcock Mission Critical Services Group, S.A.U.	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	100.00%
Babcock Mission Critical Services Holdings, S.L.U.	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	100.00%
Babcock Mission Critical Services International SAU	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	100.00%
Babcock Mission Critical Services Italia S.p.A	Piazza Castello no. 26, 20121, Milan, Italy	49.82%
Babcock Mission Critical Services Leasing Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Mission Critical Services Ltd	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Mission Critical Services Offshore Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Mission Critical Services Onshore Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Mission Critical Services Portugal, Unipessoal, LDA	Heliporto de Salemas, Lousa, 2670-769, Lisboa, Loures, Portugal	49.82%
Babcock Mission Critical Services SAU	Partida La Almaina, nro. 92, 03110, Mutxamel, Alicante, Spain	100.00%
Babcock Mission Critical Services Topco Ltd*	33, Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Mission Critical Services UK Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Babcock Mission Critical Services, Scandinavia AB	c/o Ashurst Advokatbyrå AB, PO Box 7124, 10387, Stockholm, Sweden	49.82%
Babcock Norway AS	Rådhusgata 3, 9008 TROMSØ, Norway	100.00%
Babcock Offshore Norway AS	Rådhusgata 3, 9008 TROMSØ, Norway	49.82%
Babcock SAA FW AB	Flygstationsvägen 4, 972 54 , Luleå, Sweden	49.82%
Babcock Scandinavia Holding AB	Flygstationsvägen 4, 972 54 , Luleå, Sweden	100.00%
Babcock Scandinavian AirAmbulance AB	Lägersvägen 3, 832 56 , Frösön, Sweden	49.82%
Babcock Scandinavian AirAmbulance AS	Rådhusgata 3, 9008 TROMSØ, Norway	49.82%
Babcock Scandinavian Aviation Services AS	Rådhusgata 3, 9008 TROMSØ, Norway	49.82%
Babcock Scandinavian Engineering AS	Rådhusgata 3, 9008 TROMSØ, Norway	49.82%
Babcock Scandinavian Holding AS	Rådhusgata 3, 9008 TROMSØ, Norway	49.82%
Babcock Support Services s.r.l.	Via Foro Buonaparte, 70 20121, Milano, Italy	100.00%
Bond Aviation Leasing Limited	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Bond Aviation Topco Limited	33, Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Bond Mission Critical Services PLC	33 Wigmore Street, London, W1U 1QX, United Kingdom	100.00%
Cognac Formation Aero	Lieu dit le Portaret, 83340, Le Cannet des Maures, France	90.00%
European Air-Crane S.p.A.	Via Duca D'Aosta no. 20, 50129, Florence, Italy	24.41%

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## Babcock Aviation Services (Holdings) Limited

### Notes to the financial statements (continued)

#### 13 Related party undertakings (continued)

<u>Name</u>	<u>Address</u>	<u>Holding %</u>
Heli Aviation (Tianjin) Helicopter Sales Co., Ltd.	Room 514/515, The Aviation Industry Support Center, Comprehensive Free Trade Zone, Airport Industrial Park, 1 Boahang Riad, Tianjin, China	100.00%
Heli Aviation China Limited	World Finance Centre, Kowloon Hong Kong/Room 1102-1103 11/F, Kowloon Building, 555 Nathan Road, Mongkok, Kowloon, Hong Kong	100.00%
INAER Helicopter Chile S.A.	2880 Americo Vespuccio Norte Avenue, Suite 1102, Conchalí, Santiago, Chile	100.00%
INAER Helicopter Peru S.A.C.	Av. De La Floresta No 497 Int., Lima, Peru	70.06%
S.I.M.A. Societa Italiana de Manutenzioni Aeronautiche SpA	Via Duca D'Aosta no. 20, 50129, Florence, Italy	14.65%

\*Directly owned by Babcock Aviation Services (Holdings) Limited.

#### 14 Contingent liabilities

At the year-end date the Company had joint and several liabilities for the drawn bank overdraft facilities of other Group companies of £nil (2019: £nil).

#### 15 Immediate and ultimate parent undertakings

The Company's immediate parent company is Babcock Holdings 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