

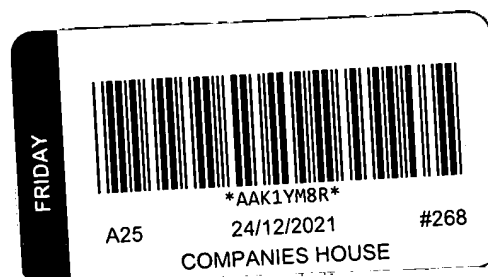
**Babcock Aviation Services (Holdings) Limited**

**Annual report**

**For the year ended 31 March 2021**

**Company registration number:**

**8993601**



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

**Directors and advisors**

**Current directors**

I Urquhart  
N Borrett  
B Davey

**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

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

## **Strategic report for the year ended 31 March 2021**

The directors present their Strategic report on the Company for the year ended 31 March 2021.

### **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>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Loss for the financial year	<b>(543,312)</b>	(551,441)
Impairment of investments	<b>(561,422)</b>	(550,477)
Income from shares in group undertakings	<b>26,890</b>	116,875

### **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 including the impact of COVID-19 is provided on pages 84 to 95 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 58, 59, 79 and 114 to 116 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**

23 December 2021

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

### **Directors' report for the year ended 31 March 2021**

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2021.

#### **Dividends**

No final dividend for the year ended 31 March 2021 has been provided by the directors (2020: £nil).

#### **Future developments**

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

#### **Going concern**

The financial statements have been prepared on a going concern basis as Babcock (UK) Holdings Limited will provide financial support to the Company to ensure it can meet its obligations as they fall due. The Company is in a net liability position and therefore the Directors have received confirmation that Babcock (UK) Holdings Limited will provide financial support to the Company for at least one year from the date of signing these financial statements.

#### **Financial risk management**

Financial Risk is managed in accordance with Group policies and procedures which are discussed on pages 47 to 49 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  
N Borrett  
B Davey  
F Martinelli    Resigned 30 November 2020

#### **Preference shares**

During the current year the redemption date for the Euro preference shares was extended by mutual agreement to 31 March 2022 (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.

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

### **Directors' report for the year ended 31 March 2021 (*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 has now completed its final audit as external auditor. Deloitte LLP has been selected as the Company's external auditor for the financial year ending 31 March 2022 following shareholder approval at the Annual General Meeting of the Ultimate Parent, Babcock International Group PLC.

On behalf of the Board



I Urquhart  
**Director**

23 December 2021

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

## Report on the audit of the financial statements

### 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 2021 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 2021; the Income statement, the statement of comprehensive income and statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to non-compliance of equivalent local laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate or fictitious journal entries to manipulate the financial performance or financial position of the Company. Audit procedures performed by the engagement team included:

- Gaining an understanding of the legal and regulatory framework and considering the risk of any acts which may be contrary to applicable laws and regulations, including fraud;
- Inquiries with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Testing journal entries and other adjustments for appropriateness and evaluating the business rationale of any significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

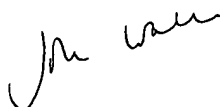
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

- we have not obtained 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  
23 December 2021



## Babcock Aviation Services (Holdings) Limited

### Income statement

for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Other expenses		(10,698)	(117,952)
<b>Operating loss</b>	4	(10,698)	(117,952)
Impairment of investments	7	(561,422)	(550,477)
Income from shares in group undertakings		26,890	116,875
<b>Loss before interest and taxation</b>		(545,230)	(551,554)
Finance income	5	-	43,760
Finance costs	5	1,918	(43,647)
<b>Loss before income tax</b>		(543,312)	(551,441)
Income tax expense	6	-	-
<b>Loss for the financial year</b>		(543,312)	(551,441)

All of the above results derive from continuing operations.

### Statement of comprehensive income

For the year ended 31 March 2021

	2021 £000	2020 £000
Loss for the financial year	(543,312)	(551,441)
<b>Total comprehensive expense for the year</b>	(543,312)	(551,441)

# Babcock Aviation Services (Holdings) Limited

## Balance sheet

as at 31 March 2021

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	7	<u>622,805</u>	<u>1,157,337</u>
<b>Current assets</b>			
Trade and other receivables – amounts falling due within one year	8	<u>636,696</u>	<u>657,276</u>
<b>Current liabilities</b>			
Creditors – amounts falling due within one year	9	<u>(1,583,061)</u>	<u>(1,594,875)</u>
Bank overdraft		<u>(609)</u>	<u>(595)</u>
		<u>(1,583,670)</u>	<u>(1,595,470)</u>
<b>Net current liabilities</b>		<u>(946,974)</u>	<u>(938,194)</u>
<b>Net assets</b>		<u>(324,169)</u>	<u>219,143</u>
<b>Equity</b>			
Called up share capital	10	-	-
Share premium account		805,000	805,000
Accumulated losses		<u>(1,129,169)</u>	<u>(585,857)</u>
<b>Total shareholder's funds</b>		<u>(324,169)</u>	<u>219,143</u>

The notes on pages 11 to 19 are an integral part of these financial statements.

The financial statements on pages 8 to 19 were approved by the Board of directors and signed on its behalf by:



I Urquhart  
Director

23 December 2021

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**Babcock Aviation Services (Holdings) Limited****Statement of changes in equity**  
*for the year ended 31 March 2021*

	<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 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
Loss for the financial year	-	-	(543,312)	(543,312)
<b>Balance at 31 March 2021</b>	-	805,000	(1,129,169)	(324,169)

# **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 will provide financial support to the Company to ensure it can meet its obligations as they fall due. The Company is in a net liability position and therefore the Directors have received confirmation that Babcock (UK) Holdings Limited will provide financial support to the Company for at least one year from the date of signing these financial statements.

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'

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

- g) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'

### **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 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.

# 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

Operating loss / profit is stated after charging:

	2021 £000	2020 £000
Foreign exchange loss	(10,690)	(28,349)
Intercompany write-off	-	(89,603)

The foreign exchange loss (2020: loss) has arisen on revaluation of intercompany creditor balances denominated in foreign currency.

During 2020 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 in prior year.

The fee payable to the parent Company's auditors in respect of the audit of the Company's financial statements was £2,700 (2020: £2,200) 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

	2021 £000	2020 £000
Finance income:		
Fair value gain on cross currency swap	-	43,760

# Babcock Aviation Services (Holdings) Limited

## Notes to the financial statements (continued)

### 5 Finance income and costs (continued)

	2021 £000	2020 £000
<b>Finance costs:</b>		
Net loan interest payable on cross currency swaps	-	(2,053)
Interest payable on preference shares	(19,578)	(21,138)
Fair value profit / (loss) on preference shares	24,155	(17,850)
Interest payable on intercompany loans	(2,659)	(2,606)
	<u>1,918</u>	<u>(43,647)</u>

### 6 Income tax expense

Tax expense for the year is higher (2020: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2021 of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Loss before taxation	<u>(543,312)</u>	<u>(551,441)</u>
Loss multiplied by standard UK corporation tax rate of 19% (2020: 19%)	(103,229)	(104,774)
Effects of:		
Expenses not deductible for tax purposes	109,802	77,462
Group relief (claimed) / surrendered for nil consideration	<u>(6,573)</u>	<u>27,312</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

In the 2020 budget, it was announced that the decrease in the UK rate of corporation tax from 19% to 17% was cancelled. On 24 May 2021, the Finance Act 2021 was substantively enacted, increasing the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. As the increase of the rate to 25% had not been substantively enacted at the Balance Sheet date, its effects are not included in these Financial Statements.

## Babcock Aviation Services (Holdings) Limited

### Notes to the financial statements (continued)

#### 7 Investments

<b>Cost</b>	<b>2021 £000</b>	<b>2020 £000</b>
At 1 April	<b>1,720,814</b>	1,720,814
Additions	<b>26,890</b>	-
<b>At 31 March</b>	<b>1,747,704</b>	1,720,814
<b>Provision for impairment</b>		
At 1 April	<b>(563,477)</b>	(13,000)
Impairment	<b>(561,422)</b>	(550,477)
<b>At 31 March</b>	<b>(1,124,899)</b>	(563,477)
<b>Net book value</b>		
<b>At 31 March</b>	<b>622,805</b>	1,157,337

During the financial year the Company received £26,889,960 (2020: £116,875,000) dividends from Babcock (Ireland) Treasury Limited.

The following investments were impaired as the carrying amount of the investment exceeded the investee's net assets: Babcock MCS Topco Limited by £555,271,000 (2020: nil) and Babcock International Holdings Limited by £6,151,000 (2020: £35,161,000). In the prior year the investment in Babcock Aviation Services (Holdings) SL was impaired by £5,000 and Babcock Ireland Finance Limited was impaired £515,311,000.

On 21 January 2021, the Company subscribed for 30,114,066 ordinary shares in Babcock (Ireland) Treasury Limited, at €1 each (£26,890,000).

The directors are satisfied that the carrying value of the investments is supported by their underlying net assets. A full list of related undertakings for the Company has been disclosed in note 12.

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

	<b>2021 £000</b>	<b>2020 £000</b>
Amounts due from group undertakings	<b>632,439</b>	652,834
Loan receivables	<b>4,257</b>	4,442
	<b>636,696</b>	657,276

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



## Babcock Aviation Services (Holdings) Limited

### Notes to the financial statements (continued)

#### 9 Creditors - amounts falling due within one year

	2021 £000	2020 £000
Amounts due to parent and group undertakings	1,026,761	1,014,417
Preference shares	555,082	579,240
Corporation tax liability	1,218	1,218
	<u>1,583,061</u>	<u>1,594,875</u>

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

Preference shares include:

- Preference shares of £438,037,000 (€514,650,000) (2020: €514,650,000) maturing on 31 March 2022 and bearing interest at EURIBOR +4%. During the current year the redemption date was extended by mutual agreement from 31 March 2021 to 31 March 2022 (or earlier with the agreement of both parties); and
- Preference shares of £117,045,000 (€137,516,215) (2020: £122,138,000) maturing on 31 March 2022 and bearing interest at 6 month Euribor + 4%. During the current year the redemption date was extended by mutual agreement from 31 March 2021 to 31 March 2022 (or earlier with the agreement of both parties).

During the current year the redemption date for both of the above preference shares was extended by mutual agreement from 31 March 2021 to 31 March 2022 (or earlier with the agreement of both parties).

#### 10 Called up share capital

	2021 £	2020 £
<b>Allotted and fully paid</b>		
200 (2020: 200) ordinary shares of £1 each	<u>200</u>	<u>200</u>

#### 11 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.

## Babcock Aviation Services (Holdings) Limited

### Notes to the financial statements (continued)

#### 12 Related party undertakings

All related undertakings for the Company are as listed below:

<b><u>Name</u></b>	<b><u>Address</u></b>	<b><u>Holding %</u></b>
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 Denmark A/S	Esbjerg Business Park, John Tranums, Vej 23, 6705, Esbjerg, Denmark	49.82%
Babcock Emergencias Aéreas España Holding, S.L.U.	Avenida de Burgos, 17, 7a planta, 28036, Madrid, Spain	49.82%
Babcock Engineering Portugal, Unipessoal, LDA	Heliporto 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%

## Babcock Aviation Services (Holdings) Limited

### Notes to the financial statements (continued)

#### 12 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 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%
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%

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

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

#### **12 Related party undertakings (continued)**

<b><u>Name</u></b>	<b><u>Address</u></b>	<b><u>Holding %</u></b>
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 Vespucio Norte Avenue, Suite 1102, Conchali, 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.

#### **13 Post balance sheet event**

On 17<sup>th</sup> December 2021, the Company issued 100 ordinary shares of £1.00 each for total consideration of £1,155,000,000 to Babcock Holdings Limited. Consideration for the share issue was via an intercompany funding account, which was immediately partially satisfied by offset with a pre-existing loan with Babcock Holdings Limited.

#### **14 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