

**Babcock Corporate Services Limited**  
**Annual report and financial statements**  
**for the year ended 31 March 2022**

Registered number: 04415588

# Babcock Corporate Services Limited

## COMPANY INFORMATION

<b>Directors</b>	S Doherty I Connell N Borrett
<b>Company secretary</b>	Babcock Corporate Secretaries Limited
<b>Registered Number</b>	04415588
<b>Registered office</b>	33 Wigmore Street, London, W1U 1QX
<b>Independent auditor</b>	Deloitte LLP 1 New Street Square London EC4A 4HQ

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# Babcock Corporate Services Limited

## Strategic report for the year ended 31 March 2022

The Directors present their Strategic report on the Company for the year ended 31 March 2022.

[REDACTED]

### Principal activities

The Company's principal activities continued to be provision of IT and Shared Services to fellow subsidiaries

[REDACTED]

	2022	2021 <u>Restated</u>
	£'000	£'000
Revenue	88,398	88,304
(Loss)/Profit before tax for the financial year	(7,479)	1,031

During the year, the Company's core business activities continued to perform in line with expectations. In the current year an operating loss was made due to the impact of transferring six property leases, a license

[REDACTED]

# Babcock Corporate Services Limited

## Strategic report for the year ended 31 March 2022

### S172(1). Statement and Stakeholder engagement

This statement contains an overview of how the Directors have performed their duties to promote the success

of the Company as set out in Section 172(1) of the Companies Act 2006. That section requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of the shareholders. In doing this, the director must have regard, amongst other matters, to:

a) the likely consequences of any decision in the long term

b) the interests of the company's employees



# Babcock Corporate Services Limited

## Directors report for the year ended 31 March 2022

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2022.

### Directors

[REDACTED]

- I Urquhart (resigned 31 May 2022)
- S Parker (resigned 6 Apr 2023)
- I Connell
- S Doherty (appointed 31 May 2022)
- N Borrett (appointed 15 December 2022)
- K Goodman (resigned 31 May 2022)

The Board is not aware of any customer or supplier contract of significant value in relation to the Company in which any Director has, or has had, a material interest.

### Going concern

The Company's business activities, together with the factors likely to affect its future development and financial

[REDACTED]

[REDACTED]

**Research and development**

The Company commits resources to research and development to the extent management considers

[REDACTED]

reasonable for the evolution and development of the business.

**Energy and carbon reporting**

The Company has taken advantage of the exemption granted under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 as this information is

[REDACTED]



## Babcock Corporate Services Limited

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### Directors report for the year ended 31 March 2022

#### Appointment of auditors

At the 2022 Annual General meeting of Babcock International Group plc, the Company's ultimate parent company, Deloitte LLP were reappointed as external auditor to the group. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed to the Company and Deloitte LLP will, therefore, continue in office.

This report was approved by the board on 13 September 2023 and signed on its behalf



I Connell

Director

# Babcock Corporate Services Limited

## Independent auditor's report to the members of Babcock Corporate Services Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Babcock Corporate Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting

- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United

**Babcock Corporate Services Limited**

**Independent auditor's report to the members of Babcock Corporate Services Limited  
(continued)**

**Other information (continued)**

[REDACTED]

material misstatement of this other information, we are required to report that fact

[REDACTED]

**Babcock Corporate Services Limited**

**Independent auditor's report to the members of Babcock Corporate Services Limited  
(continued)**

Extent to which the audit was considered capable of detecting irregularities, including fraud

[REDACTED]

**(continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial
- [REDACTED]

[REDACTED]

statements;

performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

inquiring of management and in-house legal counsel concerning actual and potential litigation and claims

[REDACTED]



**Balance sheet as at 31 March 2022**

	Note	2022 £'000	2021 Restated £'000
<b>Non-current assets</b>			
Intangible assets	10	51,625	61,332
Property, plant and equipment	11	10,354	11,881
Right-of-use assets	12	28,414	1,535
Lease receivables	13	2,346	
Trade and other receivables	14	239,310	239,894
Deferred tax assets	9		3,679
		<b>332,049</b>	<b>318,321</b>
<b>Current assets</b>			
Trade and other receivables	14	36,802	36,391
		<b>10,134</b>	<b>2,619</b>
		<b>47,592</b>	<b>39,010</b>
<b>Current Liabilities</b>			
		<b>(156,249)</b>	<b>(156,631)</b>
		<b>(112,585)</b>	<b>(117,945)</b>
		<b>219,464</b>	<b>200,376</b>
		<b>(28,811)</b>	<b>(1,238)</b>
		<b>(2,799)</b>	<b>(126)</b>
		<b>187,854</b>	<b>199,012</b>
<b>Equity</b>			
Called up share capital	18	181,369	181,369
Share premium account		14,510	14,510

# Babcock Corporate Services Limited

## Statement of changes in equity as at 31 March 2022

	Share	Retained	Total share-
	premium	earnings	funds
	account	Restated	Restated
	£'000	£'000	£'000
Balance at 1 April 2020 restated	181,369	14,510	196,053
Profit for the year		2,959	2,959
Balance at 31 March 2021 restated	181,369	14,510	196,053
		(14,478)	(14,478)
		(8,025)	(8,025)
<b>Balance at 31 March 2022</b>	<b>181,369</b>	<b>14,510</b>	<b>(8,025)</b>
			<b>187,854</b>

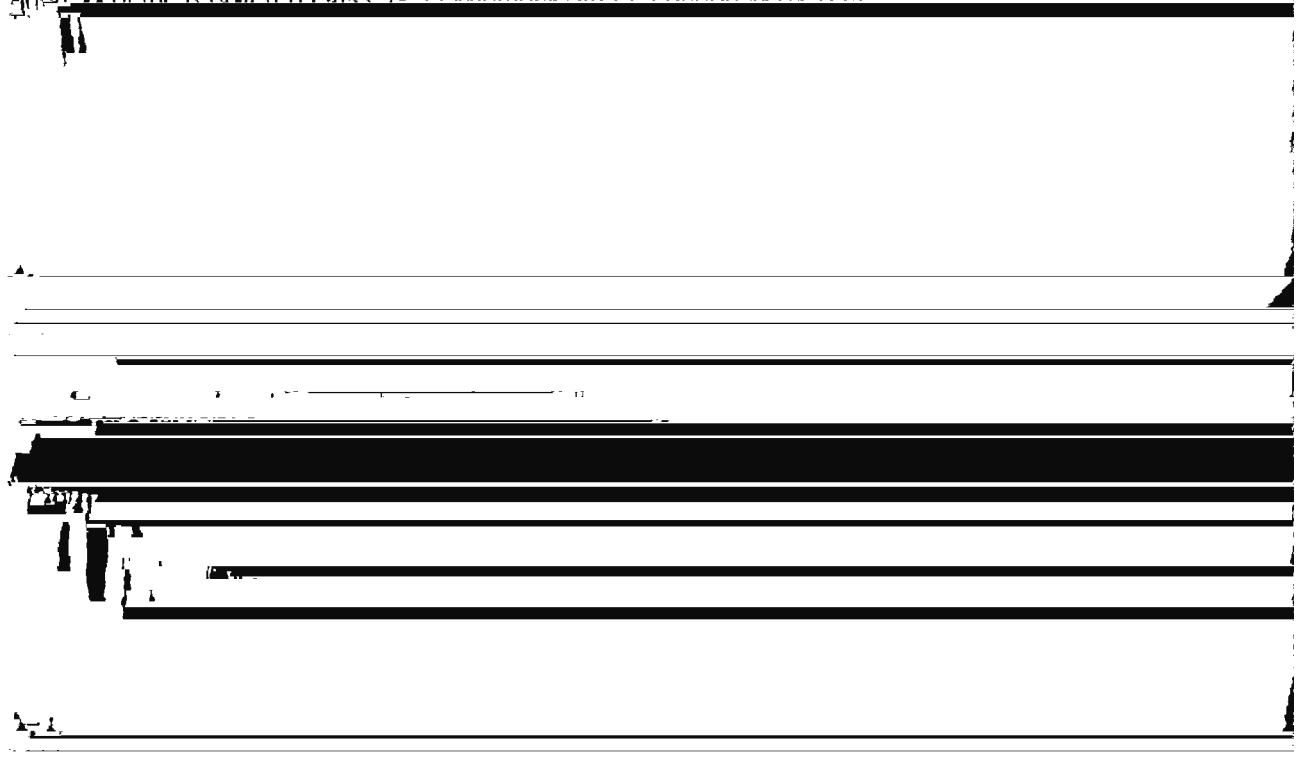
In the year ended 31 March 2022, the company restated the prior year financial information. Details of the

# Babcock Corporate Services Limited

## Notes to the financial statements

### 1 General information

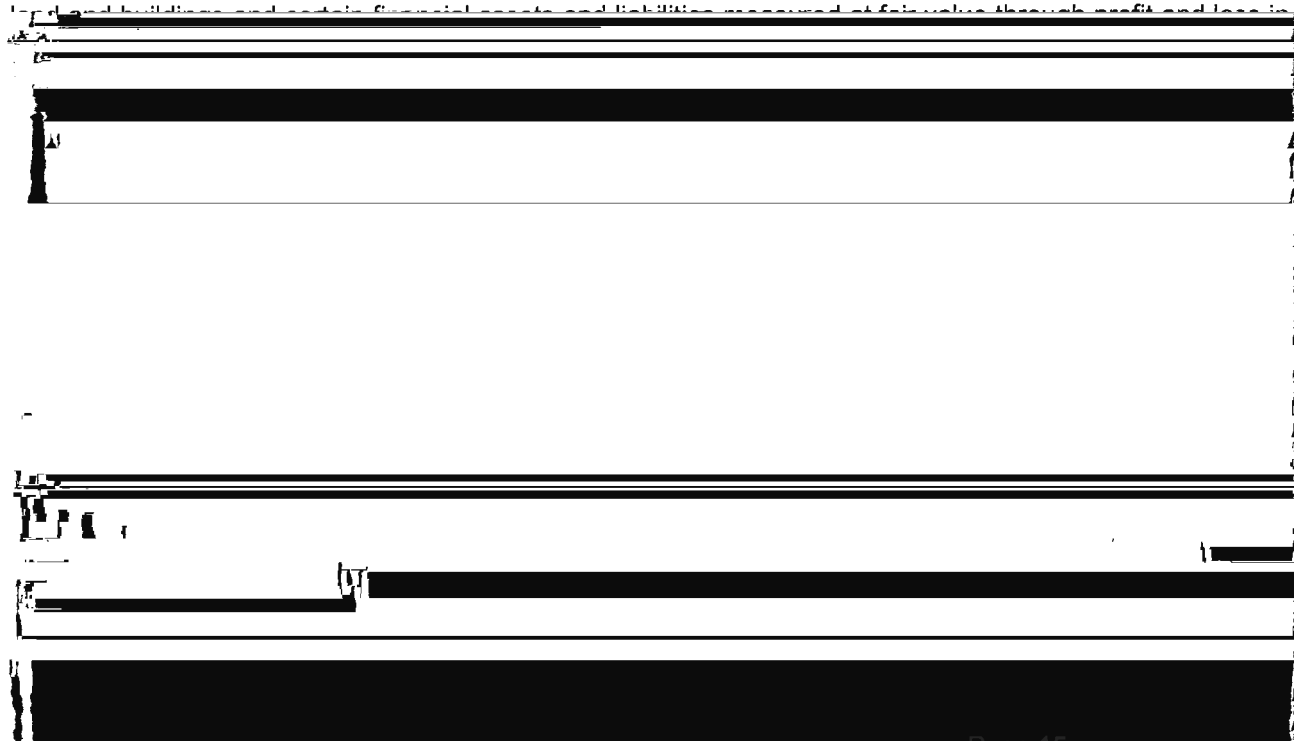
Babcock Corporate Services Limited is a private company which is incorporated and domiciled in the UK. The address of the registered Office is 33 Wigmore Street, London W1U 1QX



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

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of





# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

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

#### Basis of preparation (continued)

- i) The requirements of IAS 24 'Related party disclosures' to disclose related party transactions entered

into between two or more members of a group.

- k) Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all

# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

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

#### Revenue

Recharges to fellow subsidiary undertakings represent charges for corporate services provided to fellow Babcock International Group plc subsidiary companies.

#### Intangible assets

Intangible assets are stated at cost less accumulated amortisation. The intangible assets are amortised on


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straight-line basis as follows:

a) *Research and development*

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects are recognised as intangible assets when it is probable that the project will be a success considering its

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# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

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

#### Impairment of non-current assets

For all non-financial non-current assets (including acquired intangible assets, capitalised development costs, software assets, property, plant and equipment and right of use assets) the Company performs impairment testing where indicators of impairment are identified. Impairment testing is performed at the individual asset

level. Where an asset does not generate cash flows that are separately identifiable from other assets, the Company estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount is the higher of fair value less costs of disposal, and value-in-use. When the recoverable amount is less than the carrying amount, an impairment loss is recognised immediately in the

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

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

**Leases (continued)**

Assets and liabilities are classified as financial assets or held as the statement of financial position as financial

asset at an amount equal to the Company's net investment in the lease. The finance lease payments received are treated as finance income and a repayment of principal including initial direct costs. Finance income is

# Babcock Corporate Services Limited

Notes to the financial statements (continued)

## 2 Summary of significant accounting policies (continued)

### Finance costs

Finance costs are recognised as an expense in the period in which they are incurred unless they are attributable to an asset under construction, in which case finance costs are capitalised.

### Finance income

Finance income is recognised in the period to which it relates using the effective interest rate method

### Employee benefits

#### a) Pension obligations

The Company participates in a defined contribution scheme. Obligations for contributions to the defined contribution pension plan are recognised as an expense in the income statement

#### b) Holiday pay





# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

### 8 Directors' emoluments

The emoluments of the Directors, including pension contributions, paid in respect of services provided to the Company were as follows:

The emoluments of the directors which was paid by the Company was as follows:	2022 £'000	2021 £'000
Remuneration (including benefits in-kind)		67
Defined contribution pension scheme		8
		75

No director received remuneration from the company (2021: none).

All of the Directors of the Company are remunerated by other Babcock Group companies. It is not possible to make an accurate apportionment of these Directors' emoluments relating to services provided to the Company and as such no disclosure of emoluments received by these Directors has been made in these financial statements. Amounts received from other Babcock Group companies in relation to services performed by the Company are as follows:



# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

### 9 Tax (continued)

#### Income tax expense (continued)

The differences are explained below:

	Year ended 31 March 2022 £'000	Year ended 31 March 2021 Restated £'000
(Loss) / Profit of ordinary activities multiplied by rate of corporation tax in the UK	(1,421)	196
Effects of:		
Deferred tax asset not recognised	3,729	
Group relief claimed for nil consideration	4,400	(50)
Prior year adjustments	(95)	(2,072)
Impact of change in UK tax rate		
<b>Total income tax expense/(benefit)</b>		

#### Deferred tax

Deferred tax assets and deferred tax liabilities have been offset if, and only if, there is a legally enforceable right in that jurisdiction to set off corporation tax assets and corporation tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same Tax Authority.



# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

### 11 Property, plant and equipment

	<b>Assets in the course of construction</b>		
	<b>course of construction £'000</b>	<b>Plant &amp; Equipment £'000</b>	<b>Total £'000 £'000</b>
<b>Cost</b>			
At 1 April 2021	946	51,251	52,197
Additions	2,327	3,016	5,343
Reclassification	(898)	898	
Reclassification to Intangible assets		(1,119)	(1,119)
<b>At 31 March 2022</b>	<b>2,375</b>	<b>54,046</b>	<b>56,421</b>
<b>Accumulated depreciation</b>			
At 1 April 2021		40,316	40,316
Charge for the year		5,751	5,751
<b>At 31 March 2022</b>		<b>46,067</b>	<b>46,067</b>
<b>Net book value</b>			
<b>At 31 March 2022</b>	<b>2,375</b>	<b>7,979</b>	<b>10,354</b>
<b>Cost</b>			
At April 2020 as previously stated		45,661	45,661
Reclassification of AUC	337	(337)	
<b>At April 2020 restated</b>	<b>337</b>	<b>45,324</b>	<b>45,661</b>
<b>Accumulated depreciation</b>			
At 31 March 2021		51,251	51,251
Reclassification	(332)	332	
<b>At 31 March 2021</b>	<b>946</b>	<b>51,251</b>	<b>52,197</b>
<b>Accumulated depreciation</b>			
At 1 April 2020		34,491	34,491
Charge for the year		5,825	5,825
<b>At 31 March 2021</b>		<b>40,316</b>	<b>40,316</b>
<b>Net Book Value at 31 March 2021</b>	<b>946</b>	<b>10,935</b>	<b>11,881</b>

Depreciation is recorded in cost of revenue in the income statement.

In the year ended 31 March 2022 it was identified that assets in the course of construction were incorrectly classified as assets in use. At 31 March 2021 there is an decrease to assets in the course of construction of £332k and an increase to Property, Plant & Equipment of £332k as assets were brought in to use. At 31 March 2020 there is an increase to assets in the course of construction of £337k and a decrease to Property, Plant & Equipment of £337k.

# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

### 12 Leases

#### Right-of-use assets

The Company leases land, buildings, vehicles and IT data centres under non-cancellable lease arrangements.

	Property £'000	Plant and equipment £'000	Total £'000
<b>Cost</b>			
At 1 April 2021	1,274	117	1,391
At 31 March 2022	29,476	117	29,593
<b>Accumulated depreciation</b>			
At 1 April 2021	292	41	333
Impairment	834		834
At 31 March 2022	2,859	71	2,930
<b>Net book value</b>			
At 31 March 2022	28,368	46	28,414
At 31 March 2021	1,459	76	1,535

In relation to six properties were transferred from other Group subsidiaries during the year ended 31

# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

### 13 Lease receivables

	31 March 2022 £'000	31 March 2021 £'000
Within one year	696	-
Greater than one year but less than two years	696	-
Greater than two years but less than three years	-	-
Greater than three years but less than four years	696	-
Greater than four years but less than five years	696	-
Greater than five years	117	-
<b>Total undiscounted finance lease payments receivable</b>	<b>3,597</b>	-
Impact of discounting	(595)	-
<b>Finance lease receivable</b>	<b>3,002</b>	-

There was no material impairment of lease receivables in the year ended 31 March 2022 (2021: £nil)

The lease receivable relates to the Bramley Vale property lease, transferred from Morrison Energy Services (Transmission Networks) Limited (formerly Babcock Networks Limited) during the year.

The Company has minimal residual risk for underlying assets to which it retains rights on the lease from the

# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

### 15 Trade and other payables

	31 March 2022 £'000	31 March 2021 £'000
<b>Amounts falling due within one year:</b>		
Bank overdraft	704	216
Trade payables	8,219	10,862
Accruals and deferred income	5,984	4,353
Amounts due to parent and group undertakings	139,251	138,146
UK corporation tax payable	232	232

Other payables	1,098	2,157
	<b>156,249</b>	<b>156,631</b>

Amounts due to Group undertakings comprises the following:

A loan of £45,000 (2021: £45,000) is repayable on demand, the interest rate is Libor plus 400 basis

# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

### 17 Prior year restatement

In the year ended 31 March 2022 the Company restated the prior year financial information. The impact of these restatements are summarised below:

Impact on the income statement for the year ended 31 March 2021

	2021	2021	2021
	£'000	£'000	£'000
Revenue	88,304		88,304
Cost of revenue	(95,555)	6,471	(89,084)
Operating loss	(7,251)	6,471	(780)
Finance income	6,505		6,505
Finance costs	(754)		(754)
(Loss)/profit before taxation	(5,440)	6,471	1,031
Income tax benefit	2,152	(224)	1,928
(Loss)/profit for the financial year	(3,288)	6,247	2,959

	2021	(i) ERP system and associated hardware PPE assets	2021 Restated
	£'000	£'000	£'000
Revenue	88,304		88,304
Cost of revenue	(95,555)	6,471	(89,084)
Operating loss	(7,251)	6,471	(780)
Finance income	6,505		6,505
Finance costs	(754)		(754)
(Loss)/profit before taxation	(5,440)	6,471	1,031
Income tax benefit	2,152	(224)	1,928
(Loss)/profit for the financial year	(3,288)	6,247	2,959

# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

### 17 Prior year restatement (continued)

#### 31 March 2021 – Statement of financial position (extract)

	2021 £'000	(ii) Balance sheet re- classification £'000	(iii) ERP system intangible asset £'000	2021 Restated £'000
<b>Non-current assets</b>				
Intangible assets	61,411	-	(79)	61,332
Property, plant and equipment	12,228	-	(347)	11,881
Right-of-use assets	1,535	-	-	1,535
Trade and other receivables		239,894		239,894
Deferred tax assets			(220)	679
	<b>79,077</b>	<b>239,894</b>	<b>(650)</b>	<b>318,321</b>
<b>Current assets</b>				
Trade and other receivables		(239,894)		39,801
Cash and cash equivalents	2,619			2,199
	<b>278,904</b>	<b>(239,894)</b>		<b>39,010</b>
<b>Current Liabilities</b>				
Lease liabilities	(324)			(324)
Trade and other payables – amounts falling due within one year	(156,631)			(156,631)
<b>Net current liabilities</b>	<b>121,949</b>	<b>(239,894)</b>		<b>(117,945)</b>

Lease liabilities	(1,238)			(1,238)
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Provision for doubtful debts	(400)			(400)
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# Babcock Corporate Services Limited

## Notes to the financial statements (continued)

### 21 Pension commitments

Pension costs for defined contribution schemes are as follows

	31 March 2022	31 March 2021
	£'000	£'000
Defined contribution schemes	2,390	2,304

[REDACTED]

contribution scheme in the UK in respect of a number of its employees.

### 22 Immediate and ultimate parent undertakings

The Company's immediate parent company is Messrs Thermaxsoft (UK) Limited, a company registered in

[REDACTED]