Babcock Corporate Services Limited

Annual report and financial statements

for the year ended 31 March 2025

Registered number: 04415588

COMPANY INFORMATION

Directors	R Clark M Abbott N Borrett
Company secretary	Babcock Corporate Secretaries Limited
Registered Number	04415588
Registered office	33 Wigmore Street London W1U 1QX
Independent auditor	Forvis Mazars LLP Chartered Accountants and Statutory Auditor 3 Chamberlain Square Birmingham B3 3AX

CONTENTS

Strategic report for the year ended 31 March 2025

The Directors present their Strategic report on the Company for the year ended 31 March 2025.

Principal activities
The Company's principal activities continued to be provision of IT and other shared services to fellow subsidiaries. During the year the trade and employees of a fellow wholly owned central overhead subsidiary were transferred to the Company (note 19).

Business review

	2025	2024
	£'000	£'000
		(Restated)
Revenue	**205,446**	148,296
(Loss) / profit before tax for the financial year	**(4,702)**	1,088
Net assets	**171,680**	175,251

*In the year ended 2025, the Company restated the prior year comparatives. Details of the restatement are contained in note 18.

During the year, the Company's core business activities continued to perform in line with expectations. In the current year revenue was higher due to the transfer of trade from Babcock International Limited (note 19). Recharges were also higher than prior year due to the centralisation and associated recharge of company car leases, and the revenue of the Company continues to include recharges for centrally led functional overheads to other Babcock Group subsidiaries. The loss during the year was driven by the adjustments to the amortisation of the ERP intangible asset (note 18) and an impairment in relation to a property lease (note 12). The net assets of the Company are consistent with the prior year at £171,680k (2024 restated: £175,251k).

Principal risks and uncertainties
The Company's ultimate controlling parent is Babcock International Group PLC. Risks are managed at a group level in accordance with the risk management framework of Babcock International Group PLC. The principal risks and uncertainties of Babcock International Group PLC are discussed in its annual report for the year ended 31 March 2025, which does not form part of this report.

The principal activity of the Company is the provision of services to fellow subsidiary companies, the Company holds significant intercompany receivables that depend on the financial position of the counterparty entities. The directors monitor the recoverability of the intercompany position and would account for expected credit losses if applicable. The Group currently has a strong financial position and procedures in place to mitigate the risk of default on intercompany debt.

The management of the business and the execution of the Company's strategy are subject to various 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 and Controls Committee.

Risk is considered regularly at Board level. As part of its business planning and annual strategy review process, the Board conducts a robust assessment of principal and emerging risks. Further discussion of these risks and uncertainties, in the context of the Group as a whole, is provided on pages 104 to 123 of the annual report of Babcock International Group PLC, which does not form part of this report.

Strategic report for the year ended 31 March 2025 *(continued)*

Key performance indicators

We have identified the following financial key performance indicators (KPIs) that reflect the internal benchmarks we use to measure the success of our business and strategy:

	2025 £'000	2024 *(Restated)* £'000	
Revenue	**205,446**	148,296	The Company provides services to other Babcock entities. The Company has taken on the trade of Babcock International Limited and the activities of centre-led functions have increased. Revenue constitutes intercompany recharges relating to the services performed, therefore growth is in line with expectations.
Net assets	**171,680**	175,251	Net assets is a measure of the Company's balance sheet strength, the Company remains in a net asset position in the current year.

S172(1) Statement and Stakeholder engagement

This statement contains an overview of how the Directors have performed their duty 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,
c) the need to foster the company's business relationships with suppliers, customers and others,
d) the impact of the company's operations on the community and the environment,
e) the desirability of the company maintaining a reputation for high standards of business conduct, and
f) the need to act fairly between members of the company.

Stakeholder engagement is managed in accordance with Group policies and procedures which are discussed on pages 62 to 63 and 136 to 138 of the annual report of Babcock International group PLC, which does not form part of this report.

The Directors confirm that they, both individually and collectively, 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. By considering key stakeholder groups and aligning our activities with our strategic plan, as well as the Company's culture and values, we aim to act fairly, transparently and in the best interests of the Company over the long term. Stakeholder engagement in relation to key stakeholder groups includes the following:

Suppliers

Why they matter to us:

Our sustainable growth requires an efficient and highly effective supply chain. This means we need to foster trusted and collaborative relationships with suppliers who share our appetite to drive operational improvement through innovation and best practice. These partnerships allow us to ensure continuity of supply, minimise risk and bring integrated solutions to our customers.

What matters to them:

- Collaboration
- Fair treatment and respect
- Transparent communication
- Access to opportunities
- Prompt payment and predictable supplier cash flows

How the Company engages:

- Regular open and honest two-way communications
- Supplier Code of Conduct and Supplier's Guide

Strategic report for the year ended 31 March 2025 *(continued)*

Suppliers *(continued)*

- Supplier conferences and workshops
- Supplier due diligence
- Implemented ESG ratings for our suppliers

Colleagues

Why they matter to us: The future success of the Company is driven by the long-term relationships with our customers. The Directors are committed to conducting business honestly, transparently and with integrity. Understanding the needs and challenges of our customers allows us to help them to succeed. We work in partnership with public and private customers across the globe, enabling them to deliver critical programmes and services, adding value to their operations.

We seek to solve their challenges through excellent operational performance and the introduction of innovative solutions and technology to support their longer-term needs.

What matters to them:

- Fair pay and reward
- Opportunities for career development
- Health, safety and wellbeing
- An empowering, inclusive culture with strong leadership
- Collaboration

How the Company engages:

- Employee forums and meetings
- Internal communication channels, including intranet and weekly senior management vlogs
- Access to the CEO via a dedicated email
- Weekly global news round-up videos
- Cascade briefings
- A dedicated onboarding app
- Apprentice and Graduate programmes
- Regular training programmes
- Senior management and board visits
- 'Safety Starts with Me' and Safety Stars programmes
- New colleague recognition Ignite Award scheme
- Free confidential employee support helpline

Communities

We seek to work in partnerships with the communities we serve so that we can thrive together. As good corporate citizens, we want to make a genuine difference by supporting our local communities both economically and socially; community engagement and social value creation is a key to our ESG strategy. We aim to work with local suppliers, community groups and charities, through volunteering and STEM outreach.

Business relationships

The future success of the Company is driven by the long-term relationships with our customers. The Directors are committed to conducting business honestly, transparently and with integrity. Understanding the needs and challenges of our customers allows us to help them to succeed. We work in partnership with public and private customers across the globe, enabling them to deliver critical programmes and services, adding value to their operations.

We seek to solve their challenges through excellent operational performance and the introduction of innovative solutions and technology to support their longer-term needs.

Sustainability and environment

Sustainability is an integral part of our corporate strategy and how we do business, and it underpins our corporate Purpose: to create a safe and secure world, together. Since outlining our ESG strategy in 2020 our ambition has grown, but the level and complexity of requirements placed on the business has also increased. Therefore, Babcock International Group PLC has undertaken a full review and refresh of our sustainability strategy, to prepare us for the years ahead, and the Company will focus on the following six strategic priorities:

1. Tackling climate change. We have a responsibility to reduce our emissions but must also have a mature understanding of how we will respond to the impacts of climate change.

Strategic report for the year ended 31 March 2025 *(continued)*

Sustainability and environment *(continued)*

2. Managing our resources responsibly. We have a responsibility to work with our suppliers and on our own sites to ensure we use resources effectively and efficiently.
3. Protecting the natural environment. Not only is it important to comply with laws and regulations, but where possible we want to enhance the environments we operate in, providing both ecological and social benefits.
4. Ensuring the health safety and wellbeing of our people. Our first duty as a business is to look after our own people. This is not just in relation to matters of safety, but also their physical and mental health. Doing so not only improves the quality of life of our workforce, but it makes us a more productive and successful business.
5. Building an inclusive, diverse and resilient workforce. Inclusion and diversity not only benefit our communities, but it also enables us to build a stronger, more innovative business. We want to nurture and support talent throughout people's careers, regardless of background.
6. Supporting our communities. We will provide positive benefits to the places in which we operate, not only through employment, but also by working with local suppliers, local community groups and charities, through volunteering and STEM outreach.

Climate action remains a key focus, building on our Group wide climate-related risk management process. In 2021, we launched our decarbonisation strategy, Plan Zero 40, where we committed to delivery of a 2030 Science Based Target in line with a 1.5-degree pathway, delivering Net Zero across our own operations (Scope 1 and 2) by 2040 and delivering total Net Zero (Scope 1, 2 and 3) by 2050.

As part of our new sustainability strategy, we are reaffirming our commitment to our long-term emission reduction targets which are:

- Reduce absolute Scope 1 and 2 greenhouse gas emissions (GHG) 90% by 2040 from a 2021 base year.
- Reduce Net Zero greenhouse gas emissions across the value chain by 2050. We also remain committed to our short-term target.

Further details in relation to these activities form part of the Group-wide ESG Strategy as described on pages 64 to 96 of the annual report of Babcock International Group PLC, which does not form part of this report.

This report was approved by the board on 27 March 2026 and signed on its behalf:

R Clark
Director

Directors report for the year ended 31 March 2025

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2025.

Dividends
No dividends were declared or paid in the year (2024: £nil)

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

N Borrett
R Clark
I Connell (resigned 10 October 2024)
M Abbott (appointed 10 October 2024)

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.

Future developments
Babcock Corporate Services Limited employs centrally led functional staff. The Babcock International Group operating model has impacted the growth of the Company, as the model increased central activity in support of the group. The activity of the Company, including the number of employees, is likely to continue to increase as a result of the changes to the operating model. Future growth is also expected to be driven by that of the Babcock group as a whole.

Going concern
The Company's business activities, together with the factors likely to affect its future development and financial position are set out above. In addition, within the Directors' Report there are details of the financial risks that the Directors have highlighted as significant to the business.

As the Company is part of a larger group it participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parents and fellow subsidiaries. The Company has a net asset position at the balance sheet date and is part of a wider group that provides ongoing parental support. The directors of the Company have obtained assurances over continued parental financial support through written confirmation of ongoing access to the Group's cash pooling and Treasury facilities for a period of at least 1 year from the date of these financial statements. The Company has received a letter of support from Babcock (UK) Holdings Limited confirming this position. The Directors of the Group have made a going concern assessment that concludes that the Group is a going concern such that the parent is able to make such financial support assurances. The Company is in a net current asset position of £8,350k. Following review, the Directors have concluded that the Company has adequate resources to continue as a going concern for at least 12 months from the date of these financial statements. The Directors have not identified any material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial risk management
The applicable financial risk management policies and exposure to financial risks including interest, liquidity, currency and credit risks are discussed in detail on pages 242 to 248 of the annual report of Babcock International Group PLC, which does not form part of this report.

Employment of disabled persons
As a Group we achieved Level 2 accreditation in the UK Government's Disability Confident scheme and are working towards Level 3, demonstrating our commitment to attracting, recruiting, on-boarding and retaining disabled people and those with caring responsibilities, and supporting them in the workplace to achieve their full potential. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues, and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Directors report for the year ended 31 March 2025 *(continued)*

Employee involvement
Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through the in-house newspaper and newsletters, briefing groups and the distribution of the annual report.

Employees
The Company is committed to equal opportunities and will not discriminate on the basis of disability, age, race, colour, ethnic origin, gender, marital status, religious or political beliefs or sexual orientation.

We believe that only by encouraging applicants from the widest pool of talent possible, and then selecting the best candidate based on their ability to do the job, can we ensure we continue to deliver our best for our customers and safeguard the future of Babcock. For more information about our inclusion and diversity policy, please see page 85 of the annual report of Babcock International Group PLC, which does not form part of this report.

Engagement with UK employees has been considered on page 4 and 5 of the Strategic Report.

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

Research and development
The Company commits resources to research and development to the extent management considers 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 disclosed in the annual report for the year ended 31 March 2025 of its ultimate parent, Babcock International Group PLC.

Engagement with suppliers and customers
Engagement with suppliers and customers has been considered in the Strategic Report on page 4.

Qualifying third party indemnity provisions
Babcock International Group PLC has entered into deeds of indemnity with each of its Directors (who served during the year and/or who are currently Directors) within the Group which are qualifying third-party indemnity provisions for the purposes of the Companies Act 2006 in respect of their directorships of the Company. Under their respective Articles of Association, Directors of Group UK companies may be indemnified by the company concerned of which they are or were Directors, against liabilities and costs incurred in connection with the execution of their duties or the exercise of their powers, to the extent permitted by the Companies Act 2006.

Events after the reporting period
The Directors of the Company have considered the events within the Middle East, specifically the military action between the USA, Israel and Iran, and consider that does not give rise to any post balance sheet impact on these accounts. This is an unadjusted post balance sheet event.

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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors report for the year ended 31 March 2025 *(continued)*

Appointment of auditors
Forvis Mazars LLP were appointed as Independent Auditor of the Company commencing with the audit of the 31 March 2025 year end. Forvis Mazars LLP is willing to continue in office and as such a resolution to reappoint them as Independent Auditor for the following year has been proposed and approved by the Audit Committee.

Directors' responsibility statement
The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the board on 27 March 2026 and signed on its behalf by:

R Clark
Director

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Babcock Corporate Services Limited (the 'company') for the year ended 31 March 2025 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2025 and of its loss for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation and anti-money laundering regulation.

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

Auditor's responsibilities for the audit of the financial statements *(continued)*

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Louis Burns

Louis Burns (Mar 27, 2026 16:37:33 GMT)

Louis Burns (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
Three Chamberlain Square
Birmingham
B3 3AX
27 March 2026

Income statement for the year ended 31 March 2025

	Note	2025 £'000	2024 £'000 *Restated
Revenue	4	**205,446**	148,296
Cost of revenue		**(205,446)**	(147,406)
Gross profit		**-**	890
Administrative expenses		**(7,117)**	-
Operating (loss) / profit	5	**(7,117)**	890
Finance income	6	**7,179**	4,489
Finance costs	6	**(4,764)**	(4,291)
(Loss) / profit before taxation		**(4,702)**	1,088
Income tax credit	9	**1,131**	-
(Loss) / profit for the financial year		**(3,571)**	1,088

*In the year ended 31 March 2025, the Company restated the prior year financial information. Details of the restatement are contained in note 18.

The notes on pages 16 to 35 form part of these financial statements.

All of the above results derive from continuing operations.

There have been no other comprehensive gains/losses during either the current or prior year other than as disclosed in the income statement and therefore no separate statement of comprehensive income has been presented.

Statement of financial position as at 31 March 2025

	Note	2025 £'000	2024 £'000 *Restated
Non-current assets			
Intangible assets	10	**31,442**	38,556
Property, plant and equipment	11	**16,232**	13,036
Right-of-use assets	12	**33,035**	31,866
Lease receivables	13	**737**	1,339
Trade and other receivables	14	**119,218**	121,569
		200,664	206,366
Current assets			
Trade and other receivables	14	**120,064**	79,630
Lease receivables	13	**665**	665
Cash and cash equivalents		**-**	72
		120,729	80,367
Current liabilities			
Lease liabilities	12	**(7,247)**	(5,599)
Trade and other payables	15	**(105,132)**	(74,878)
Net current assets / (liabilities)		**8,350**	(110)
Total assets less current liabilities		**209,014**	206,256
Non-current liabilities			
Lease liabilities	12	**(34,591)**	(29,636)
Provision for liabilities	16	**(2,743)**	(1,369)
Net assets		**171,680**	175,251
Capital and reserves			
Called up share capital	17	**181,369**	181,369
Share premium account	17	**14,510**	14,510
Retained earnings	17	**(24,199)**	(20,628)
Total shareholders' funds		**171,680**	175,251

*In the year ended 31 March 2025, the Company restated the prior year financial information. Details of the restatement are contained in note 18.

The notes on pages 16 to 35 are an integral part of these financial statements.

The financial statements on pages 13 to 35 were approved and authorised for issue on 27 March 2026 by the board of directors and signed on its behalf by:

R Clark
Director

Registered number 04415588

Statement of changes in equity as at 31 March 2025

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total shareholders' funds £'000
			*Restated	*Restated
Balance at 1 April 2023 *Restated	**181,369**	**14,510**	**(21,716)**	**174,163**
Profit for the year and total comprehensive expense	**-**	**-**	1,088	1,088
Balance at 31 March 2024 *Restated	**181,369**	**14,510**	**(20,628)**	**175,251**
Loss for the year and total comprehensive expense	**-**	**-**	(3,571)	(3,571)
Balance at 31 March 2025	**181,369**	**14,510**	**(24,199)**	**171,680**

*In the year ended 31 March 2025, the Company restated the prior year financial information. Details of the restatement are contained in note 18.

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.

Its ultimate controlling party is disclosed in note 23. The principal activity of the Company is set out in the Strategic Report on page 3. These financial statements, which have been prepared in accordance with the Companies Act 2006, are presented in pounds sterling and, unless stated otherwise, rounded to the nearest thousand.

2 Summary of material 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 Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. Accordingly, these financial statements have been prepared in accordance with Financial Reporting Standard 101 ‘Reduced Disclosure Framework’ (FRS 101) and the Companies Act 2006. Where relevant, equivalent disclosures have been given in the group accounts of Babcock International Group PLC.

These 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. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest thousand.

The Company is a wholly owned subsidiary of Vosper Thornycroft (UK) 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.

In preparing these financial statements, the Company applies the recognition and measurement requirements of International Financial Reporting Standards (IFRS) as adopted by the UK, but makes amendments where necessary in order to comply with the Companies Act 2006 and sets out below where advantage of the FRS 101 disclosure exemptions have been taken:

a) IFRS 7, ‘Financial instruments: Disclosures’.
b) 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).
c) The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
d) The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 58, 90, 91 and 93 of IFRS 16 Leases.
e) 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).
f) Paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
g) IAS 7, ‘Statement of cash flows’

Notes to the financial statements *(continued)*

2 Summary of material accounting policies *(continued)*

Basis of preparation *(continued)*

h) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'.
i) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation.
j) 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 periods presented in these financial statements.

The Company intends to continue to prepare its financial statements in accordance with FRS 101.

Adoption of new and revised standards

The following standards and amendments to IFRSs became effective for the annual reporting period beginning on 1 April 2024 and did not have a material impact on the financial statements:

- *Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements*: These amendments add disclosure objectives to IAS 7 about supplier finance arrangements that enable users to assess the effect of such arrangements on the Company's liabilities and cash flows. Additionally, the amendments revise IFRS 7 to add supplier finance arrangements as an example of liquidity risk within financial risk management. The Company does not currently participate in any supplier finance arrangements and therefore these amendments have had no impact on the current or prior period Income Statement or Statement of Financial Position.
- *Amendments to IAS 1 – Classification of Liabilities as Current or Non-current*: These amendments affect only the presentation of liabilities as current or non-current in the statement of financial position.
- *Amendments to IAS 1 – Non-current Liabilities with Covenants:* These amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current).
- *Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback*: These amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale.

The Company has not early adopted any other amendment, standard or interpretation that has been issued but is not yet effective. It is expected that these standards and amendments will be adopted on the applicable effective date.

Going concern

The Company's business activities, together with the factors likely to affect its future development and financial position are set out within the Directors' Report. In addition, within the Directors' Report there are details of the financial risks that the Directors have highlighted as significant to the business.

As the Company is part of a larger group it participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parents and fellow subsidiaries. The Company has a net asset position at the balance sheet date and is part of a wider group that provides ongoing parental support. The directors of the Company have obtained assurances over continued parental financial support through written confirmation of ongoing access to the Group's cash pooling and Treasury facilities for a period of at least 1 year from the date of these financial statements. The Company has received a letter of support from Babcock (UK) Holdings Limited confirming this position. The Directors of the Group have made a going concern assessment that concludes that the Group is a going concern such that the parent is able to make such financial support assurances. The Company is in a net current asset position of £8,350k. Following review, the Directors have concluded that the Company has adequate resources to continue as a going concern for at least 12 months from the date of these financial statements. The Directors have not identified any material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the financial statements

2 Summary of material accounting policies *(continued)*

Revenue
Revenue recognised represents income derived from contracts with intercompany customers for the provision of goods and services in the ordinary course of the Company's activities. The Company recognises revenue in line with IFRS 15, Revenue from Contracts with Customers. IFRS 15 requires the identification of performance obligations in contracts, determination of contract price, allocation of the contract price to the performance obligations and recognition of revenue as performance obligations are satisfied.

The Company recognises revenue for intercompany recharges levied on fellow Group companies.

a) **Performance obligations**
Contracts are assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct if the customer can benefit from them either on their own or together with other resources readily available to them and they are separately identifiable in the contract. Contracts entered into by the Company are non-complex in nature and typically only contain a single performance obligation in respect of the delivery of central corporate services.

b) **Determination and allocation of contract price to performance obligations**
The contract price represents the amount of consideration which the Company expects to be entitled in exchange for delivering the promised service to the customer. The Company's contracts only include variable consideration based cost of services delivered – as informed by the level of central corporate activity and therefore cost incurred.

c) Allocation of contract price to performance obligations
Contracts typically contain a single performance obligation. Where multiple performance obligations exist, transaction price is allocated to each obligation based on their relative standalone selling prices.

d) Revenue and profit recognition
Performance obligations are satisfied, and revenue recognised, as control of goods and services is transferred to the customer. Control can be transferred at a point in time or over time and the Company determines, for each performance obligation, whether it is satisfied over time or at a point in time. Recharges are typically recognised over time in line with the customers usage – representing the customer simultaneously receiving and consuming the benefit of the provided service over time as the Company provides the service.

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

b) Share-based compensation
The Company operates cash-settled, share-based compensation plans. The economic cost of awarding shares and share options to employees is recognised as an expense in the income statement equivalent to the fair value of the benefit awarded. The fair value is determined by reference to a Black Scholes pricing model. The charge is recognised in the income statement over the vesting period of the award. Further details can be found on pages 250 to 252 of the annual report of Babcock International Group PLC, which does not form part of this report.

Notes to the financial statements *(continued)*

2 Summary of material accounting policies *(continued)*

Business combinations under common control
Common-control business combinations (ie, transactions between entities controlled by the same ultimate undertaking) are outside of the scope of IFRS 3. Common-control business combinations are typically undertaken at acquisition-date book value.

During the period the Company acquired the trade and assets and employees of Babcock International Limited. The assets and liabilities assumed were transferred at their fair value deemed by management to be equivalent to acquisition-date book value given the nature of the assets and liabilities transferred.

Taxation
a) Current income tax
Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 substantively enacted, by the reporting 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. Deferred tax assets are recognised where deferred tax liabilities exist and are expected to reverse in the same period as the deferred tax asset or in periods into which a loss arising from a deferred tax asset can be carried forward or back. In the absence of sufficient deferred tax liabilities, deferred tax assets are recognised where it is probable that there will be future taxable profits from other sources against which a loss arising from the deferred tax asset can be offset. In assessing the availability of future profits, the Company uses profit forecasts consistent with those used for goodwill impairment testing. Profits forecast beyond the Company’s five-year budget cycle are risk-weighted to reflect commercial uncertainties.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

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.

Notes to the financial statements *(continued)*

2 Summary of material accounting policies *(continued)*

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. The intangible assets are amortised on a 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 commercial and technological feasibility, and only if the cost can be measured reliably. Other development expenditure is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs that have been capitalised are amortised from the date the product is available for use on a straight-line basis over the period of its expected benefit but not exceeding seven years.

b) Computer software

Computer software includes software licences acquired plus the costs incurred in bringing the software into use and is shown at cost less accumulated amortisation and is amortised over its expected useful lives of between three and five years.

The Company is implementing an ERP system in phases over several years on behalf of the Group. The ERP system is being amortised over a period of up to 13 years to coincide with the expected support period from the software provider. The core asset commenced amortisation when it was available for use, which occurred once implementation was completed. Additional capitalisation for improved functionality as the platform is tailored and deployed at each respective business unit commences amortisation when those improved functionalities are available for use (when the ERP is implemented at the respective business unit).

Property, plant and equipment

Property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is charged to the income statement, recorded as Cost of Sales and is provided on a straight-line basis to write off the cost of property, plant and equipment over the estimated useful lives to their estimated residual value at the following annual rates:

Leasehold property	Lease term
Plant and equipment	6.6% to 33.3%

Property, plant and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount exceeds the higher of an asset's fair value less cost to sell or value in use.

Leases

The Company as lessee

For all leases in which the Company is a lessee (other than those meeting the criteria detailed below), the Company recognises a right of use asset and corresponding lease liability at commencement of the lease.
The lease liability is the present value of future lease payments discounted at the rate implicit in the lease, if available, or the applicable incremental borrowing rate. The incremental borrowing rate is determined at lease inception based on a number of factors including asset type, lease currency and lease term. Lease payments include fixed payments and variable lease payments dependent on an index or rate, initially measured using the index or rate at the commencement date. The lease term reflects any extension or termination options that the Company is reasonably certain to exercise.

Notes to the financial statements *(continued)*

2 Summary of material accounting policies *(continued)*

Leases (continued)

The lease liability is subsequently measured at amortised cost using the effective interest rate method, with interest on the lease liability being recognised as a finance expense in the income statement. The lease liability is remeasured, with a corresponding adjustment to the right of use asset, if there is a change in future lease payments, for example resulting from a rent review, change in a rate/index or change in the Company's assessment of whether it is reasonably certain to exercise an extension, termination or purchase option.

The right of use asset is initially recorded at cost, being equal to the lease liability, adjusted for any initial direct costs, lease payments made prior to commencement date, lease incentives received and any dilapidation costs. Depreciation of right of use assets is recognised as an expense in the income statement in cost of sales on a straight-line basis over the shorter of the asset's useful life or expected term of the lease.

Right of use assets arising from sale and leaseback transactions are measured at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company. Gains arising on sale and leaseback transactions are recognised to the extent that they relate to the rights transferred to the buyer-lessor whilst losses arising on sale and leaseback transactions are recognised in full.

Right of use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, with the impairment expense being recognised in the income statement. Where a lease is terminated early, any termination fees or gain or loss relating to the release of right of use asset and lease obligation are recognised as a gain or loss through the income statement.

Payments in respect of low-value leases are expensed straight line to the income statement as permitted by IFRS 16, 'Leases'.

The Company as lessor

As a lessor, the Company classifies lessor arrangements as finance or operating leases. Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The risks associated with rights that the Company retains in underlying assets are not considered to be significant. The Company employs strategies to further minimise these risks such as ensuring all contracts include clauses requiring the lessee to compensate the Company when a property has been subjected to excess wear and tear during the lease term. The unguaranteed residual values are not deemed to represent a significant risk for the company, as they relate to either properties where the sub-lease is for the whole of the remaining term of the headlease or properties in areas that have experienced consistent increases in value

Amounts due from lessees under a finance lease are held on the statement of financial position as a discounted 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 allocated over the lease term, with the gross receivable being reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, with the impairment expense being recognised in the income statement.

Impairment of non-current assets

For all non-current assets (including 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 Company income statement.

Notes to the financial statements *(continued)*

2 Summary of material accounting policies *(continued)*

Impairment of non-current assets (continued)

Where an impairment loss on other non-financial non-current assets subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised in prior years.

Provisions

A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at an appropriate discount rate.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. Onerous contract provisions are recognised after impairment of any assets directly related to the onerous contract with discounting applied where relevant.

Cash and cash equivalents

Company cash and cash equivalents consist of cash at bank and cash in hand, together with short-term deposits with an original maturity of three months or less and money market funds.

Trade and other receivables

Trade and other receivables (including amounts due from group undertakings) are stated at their cost less expected credit losses. A provision for an expected credit loss is established under IFRS 9 when there is an evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The loss allowances for intercompany financial assets are based on assumptions on risk of default and expected loss rates. The Company recognises an allowance for expected credit losses based on the difference between contractual cashflows due in accordance with the contract and all the cash flows that the Company expects to receive..

Current intercompany trade receivables are expected to be settled in the Company's usual operating cycle of 12 months or less and relate to balances due in the normal course of business.

Amounts due from group undertakings in relation to intercompany loans are recorded on the statement of financial position in line with settlement terms on underlying loan agreements. Inter-company loans receivable at the statement of financial position date that are settled within twelve months are recorded as current assets.

Trade and other payables

Trade and other payables are stated at actual cost, or estimated cost in respect of accruals.

Current intercompany trade payables are expected to be settled in the Company's usual operating cycle of 12 months or less and relate to balances due in the normal course of business.

Amounts due to group undertakings in relation to intercompany loans are recorded on the statement of financial position in line with settlement terms on underlying loan agreements. Inter-company loans payable at the balance sheet date that are settled within twelve months are recorded as current liabilities.

Notes to the financial statements *(continued)*

2 Summary of material accounting policies *(continued)*

Identification of prior year restatements

The results of the Company have been restated where practicable by retrospectively restating the Company's prior period results for the affected periods. Any restatements identified relating to reporting periods before 1 April 2023 have been corrected by cumulatively restating the impacted statement of financial position line item, including retained earnings, at 1 April 2023. Please see note 18 for further details.

Financial instruments

Financial assets and liabilities at amortised cost
Cash and cash equivalents, trade receivables, amounts due from related parties and other debtors are classified as financial assets held at amortised cost as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. Trade receivables, and lease receivables include a provision for expected credit losses. The Company measures the impairment provision at an amount equal to lifetime expected credit losses, estimated by reference to past experience and relevant forward-looking factors. For all other financial assets carried at amortised cost, including other debtors, the Company measures the provision at an amount equal to 12-month expected credit losses.

Trade and other payables, amounts due to related parties, other payables, accruals and bank loans and overdrafts are classified as financial liabilities held at amortised cost.

Fair value measurement

The fair value of an asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the year-end date. Fair value measurements are used on a recurring basis except where used in the acquisition of assets and liabilities through a business combination. The fair values of non-financial assets and liabilities are based on observable market prices or rates.

The carrying values of financial assets and liabilities which are not held at fair value in the Company balance sheet are assumed to approximate to fair value due to their short-term nature, with the exception of fixed rate bonds.
There have been no changes to the valuation techniques used during the year.

Contingent liabilities

A contingent liability is a possible obligation arising from past events whose existence will be confirmed only on the occurrence or non-occurrence of uncertain future events outside the Company's control, or a present obligation that is not recognised because it is not probable that an outflow of economic benefits will occur or the value of such outflow cannot be measured reliably. See note 18 for details of contingent liabilities.

Foreign currencies

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Sterling, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the year-end exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at exchange rates ruling at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Notes to the financial statements *(continued)*

3 Critical accounting estimates and judgements

In the course of preparation of the financial statements, judgements and estimates have been made in applying the Company's accounting policies 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 certain forward-looking estimates may result in a material adjustment to the carrying amounts 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. Critical accounting estimates and judgements in relation to these financial statements are considered below

Critical accounting judgements

Critical accounting judgements, apart from those involving estimations, that are applied in the preparation of the financial statements are discussed below. Details of the Company's key judgements involving estimates are included in the key sources of estimation uncertainty section.

Key sources of estimation uncertainty

There are no areas of judgement or key sources of estimation uncertainty that are considered to have a significant effect on the amounts recognised in these financial statements.

4 Revenue

Revenue is wholly attributable to the principal activities of the Company and arises as follows:

	2025	2024
	£'000	£'000
By area of activity:		
Rendering of IT and other services	**205,446**	148,296
	205,446	148,296

	2025	2024
	£'000	£'000
By geographical area:		
United Kingdom	**196,399**	137,958
Europe	**1,723**	3,988
Australasia	**4,606**	3,896
Canada	**2,424**	2,214
Africa	**294**	240
	205,446	148,296

Notes to the financial statements *(continued)*

5 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2025 **£'000**	2024 £'000 *Restated
Depreciation of tangible fixed assets (Note 11)	**5,855**	4,890
Amortisation of intangible assets (Note 10)	**8,774**	8,573
Depreciation of Right of Use assets (Note 12)	**5,528**	3,890

Auditors' remuneration of £203,500 (2024: £30,000) has been borne by Babcock Holdings Limited. No non-audit services were provided in relation to this entity.

Fees paid to the Company's auditors, Forvis Mazars LLP, and its associates for services other than statutory audit of the Company, are disclosed on a consolidated basis in the financial statements of the ultimate parent undertaking, Babcock International Group PLC. The group financial statements are required to comply with the statutory disclosure requirements.

6 Finance income and costs

	2025 **£'000**	2024 £'000
Finance income:		
Exchange gain	**40**	38
Loan interest receivable from group undertakings	**7,139**	4,489
	7,179	4,527
Finance costs:		
Bank interest	**23**	19
Lease interest	**1,977**	2,058
Loan interest payable to group undertakings	**2,764**	2,252
	4,764	4,329

7 Staff costs

The average monthly number of employees (including directors) employed by the Company during the year was as follows:

	2025 **Number**	2024 Number
By activity:		
Management and administration	**1,215**	1,028

Notes to the financial statements *(continued)*

7 Staff costs (continued)

Their aggregate remuneration comprised:

	2025 **£'000**	2024 £'000
Wages and salaries	**73,927**	50,295
Social security costs	**8,726**	6,993
Share based payments	**1,160**	-
Pension costs – defined contribution plans (note 22)	**7,941**	6,156
	91,754	63,444

During the year, the company had pension costs £7,941,000 (2024: £6,156,000) in respect of the defined contribution scheme.

The employment costs above include those of employees providing management services to other group companies, as well as staff seconded to other group companies. These costs are subsequently recharged to those business entities.

8 Directors' emoluments

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

	2025 **£000**	2024 £000
Remuneration (including benefits in-kind)	**206**	-
Defined contribution pension scheme	**21**	-
	227	-

The emoluments for the current year include the 2 months of the year post transfer of two directors from Babcock International Limited in February 2025. Retirement benefits are accruing to no Directors (2024: none) under company pension schemes.

During the year 1 (2024: none) Director remunerated by Babcock Corporate Services Limited exercised share options under long term incentive plans and 3 (2024: none) Directors were entitled to receive share options under long term incentive plans.

The amounts above include the following in respect of the highest paid Director:

	2025 **£000**	2024 £000
Remuneration (including benefits in-kind)	**121**	-
Defined contribution pension scheme	**11**	-
	132	-

During the year the highest paid Director remunerated by Babcock Corporate Services Limited exercised 22,597 share options under long term incentive plans (2024: nil).

Notes to the financial statements *(continued)*

9 Tax

Income tax benefit	**2025 £'000**	2024 £'000
Analysis of tax benefit in the year		
Current tax		
• UK current year benefit	**-**	-
• Group relief surrendered	**(1,131)**	-
Deferred tax		
• UK current year benefit	**-**	-
Total income tax benefit	**(1,131)**	-

The increase in the UK rate of corporation tax to 25% with effect from 1 April 2023 was substantively enacted during the period, therefore all closing deferred tax balances have been restated at 25%.

In the prior year there was no tax charge as the entity was loss making and tax losses were surrendered for nil consideration.

The differences are explained below:

	2025 £'000	2024 £'000
(Loss)/profit before tax	**(4,702)**	1,088
(Loss)/ profit on ordinary activities multiplied by rate of corporation tax in the UK of 25% (2024: 25%)	**(1,176)**	272
Effects of:		
Expenses not deductible for tax purposes	**-**	-
Deferred tax asset not recognised	**-**	(171)
Group relief (claimed) / surrendered for nil consideration	**45**	(101)
Total income tax benefit	**(1,131)**	-

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. Deferred tax balances as at 31 March 2025 that are expected to reverse after 1 April 2025 have been calculated at 25%.

In respect of the year ended 31 March 2024, the group relief surrendered as per the submitted tax computation was £7,062k (tax value £1,766k at 25%). However, there was no impact on the actual tax charge as the group relief was surrendered for nil consideration.

In July 2023, the UK enacted legislation to introduce the 'Pillar Two' global minimum tax model rules of the OECD's Inclusive Framework on Base Erosion and Profit Shifting and a UK qualified domestic minimum top-up tax. There is no impact to the Company in relation to this legislation which applies from 1 April 2024.

Notes to the financial statements *(continued)*

10 Intangible assets

	Assets in the course of construction £'000	Software *(Restated)* £'000	Total *(Restated)* £'000
Cost			
At 1 April 2024 *(Restated)*	**2,255**	**95,963**	**98,218**
Additions	717	948	1,665
Reclassification from Assets in the course of construction	(1,470)	1,470	-
Reclassification to Property, Plant & Equipment	(5)	-	(5)
At 31 March 2025	**1,497**	**98,381**	**99,878**
Accumulated amortisation and impairment			
At 1 April 2024 *(Restated)*	-	59,662	59,662
Charge for the year	-	8,774	8,774
At 31 March 2025	**-**	**68,436**	**68,436**
Net book value			
At 31 March 2025	**1,497**	**29,945**	**31,442**
At 31 March 2024 *(Restated)*	2,255	36,301	38,556

Software includes software licenses acquired plus the costs incurred in bringing the software in to use and is shown at cost less accumulated amortisation and is amortised over its expected useful life of between three and thirteen years. Intangible assets amortisation is recorded in cost of revenue in the income statement.

In the year ended 31 March 2025, the Company restated the prior year financial information. Details of the restatement are contained in note 18.

11 Property, plant and equipment

	Assets in the course of construction £'000	Property, Plant & Equipment £'000 *(Restated)*	Total £'000 *(Restated)*
Cost			
At 1 April 2024 *(Restated)*	5,404	22,606	28,010
Additions	1,061	11,277	12,338
Disposals	(3,291)	(3)	(3,294)
Reclassification	(1,861)	1,861	-
Reclassification from Intangible assets	-	5	5
At 31 March 2025	**1,313**	**35,746**	**37,059**
Accumulated depreciation			
At 1 April 2024 *(Restated)*	-	14,974	14,974
Charge for the year	-	5,855	5,855
Disposals	-	(2)	(2)
At 31 March 2025	**-**	**20,827**	**20,827**
Net book value			
At 31 March 2025	**1,313**	**14,919**	**16,232**
At 31 March 2024 *(Restated)*	5,404	7,632	13,036

In the year ended 31 March 2025, the Company restated the prior year financial information. Details of the restatement are contained in note 18.

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
Cost			
At 1 April 2024	**35,007**	**5,447**	**40,454**
Additions	-	14,196	14,196
Disposals	-	(573)	(573)
At 31 March 2025	**35,007**	**19,070**	**54,077**
Accumulated depreciation			
At 1 April 2024 *(Restated)*	7,172	1,416	8,588
Charge for the year	2,640	2,887	5,528
Disposals	-	(195)	(195)
Impairments	7,121	-	7,121
At 31 March 2025	**16,933**	**4,109**	**21,042**
Net book value			
At 31 March 2025	**18,074**	**14,961**	**33,035**
At 31 March 2024 *(Restated)*	23,984	4,031	28,015

During the year the Company recognised impairments in relation to two leased properties. The first property is not fully utilised therefore an impairment of £745,000 has been recognised based on the unutilised floorspace. The second property is fully sub-let, management have assessed the sub-let agreement (signed post 31 March 2025) and determined the associated rental income over the lease term is lower than the costs associated with the head lease and therefore recognised an impairment of £6,376,000, a discount rate of 7.34% has been applied when calculating the present value of future cash inflows associated with the sub-lease.

In the year ended 31 March 2025, the Company restated the prior year financial information. Details of the restatement are contained in note 18.

Lease liabilities

	2025 £'000	2024 £'000
At 31 March 2024	**35,235**	39,547
Additions	**14,196**	3,215
Terminations and revaluations	**(907)**	(2,776)
Interest Charged	**1,977**	2,058
Payments	**(8,663)**	(6,809)
At 31 March 2025	**41,838**	35,235

Discounted future minimum lease payments are as follows:

	2025 £'000	2024 £'000
Within one year	**7,247**	5,599
In more than one year, but not more than five years	**17,152**	10,454
After five years	**17,439**	19,182
Carrying value of liability	**41,838**	35,235

Notes to the financial statements *(continued)*

13 Lease receivables

	2025 £'000	2024 £'000
Within one year	**696**	696
Greater than one year but less than two years	**696**	696
Greater than two years but less than three years	**117**	696
Greater than three years but less than four years	**-**	117
Greater than four years but less than five years	**-**	-
Greater than five years	**-**	-
Total undiscounted finance lease payments receivable	**1,509**	2,205
Impact of discounting	**(107)**	(201)
Finance lease receivable	**1,402**	2,004

There was no material impairment of lease receivables in the year ended 31 March 2025 (2024: £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 ended 31 March 2022.

The Company has minimal residual risk for underlying assets to which it retains rights as the lease for which the Company acts as lessor is a finance lease and therefore the asset has been leased for a term equivalent to the asset's useful economic life.

14 Trade and other receivables

	2025 £'000	2024 £'000
Amounts falling due after one year:		
Amounts due from group undertakings	**119,218**	121,569

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade receivables	**378**	832
Amounts due from group undertakings	**99,716**	57,760
Prepayments and other receivables	**19,970**	21,038
	120,064	79,630

Amounts due from group undertakings comprises the following amounts not expected to be repaid within 12 months:

- A loan of £112,718k (2024: 110,233k) is repayable on demand, the interest rate is SONIA +1.5%.
- A loan totalling £6,500k (2024: £6,500k) is repayable on demand, with no interest charge.
- A loan totalling £nil (2024: £2,485k) is repayable on demand, with no interest charge.

Amounts due from group undertakings falling due within one year includes:

- A cash sweep balance of £826,439 (2024: nil) included in amounts owed to group undertakings bearing interest at SONIA +/- a margin, depending on the debit or credit balance at the end of each day.

All other amounts due from group undertakings are repayable on demand with no interest charge.

Receivables are stated after provisions for impairment of £934k (2024: £358k).

Notes to the financial statements *(continued)*

15 Trade and other payables

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Trade payables	**7,301**	5,187
Accruals and deferred income	**28,009**	11,187
Amounts due to parent and group undertakings	**57,295**	52,981
Other taxation and social security	**4,307**	1,795
Other payables	**8,220**	3,728
	105,132	74,878

All other amounts due from group undertakings are unsecured and repayable on demand.

The Company has access to the Babcock International Group PLC overdraft facility.

Amounts due to parent and group undertakings falling due within one year includes:

- A cash sweep balance of £26,977,638 (2024: £33,529,692) included in amounts due to parent and group undertakings bearing interest at SONIA +/- a margin, depending on the debit or credit balance at the end of each day.

During the prior year the Company took part in a Group wide loan rationalisation process which involved the netting of intercompany payables and receivables loan balances. The result of which reduced the intercompany loans receivable to and payable by the Company as disclosed above and in note 14.

16 Provisions for liabilities

The company had the following provisions during the year:

	Property £'000	Contract £'000	Total £'000
At 1 April 2024	**127**	**1,242**	**1,369**
Additional provisions	-	1,751	1,751
Credited to the income statement	-	(377)	(377)
At 31 March 2025	**127**	**2,616**	**2,743**

Property provisions primarily relate to dilapidation costs expected to be utilised in line with the lease expiry date in November 2026.

The contract provisions relate to expected future losses in relation to onerous contracts, two with an expiry date of November 2026 and one with an expiry date May 2027.

17 Capital and equity

	2025 £000	2024 £000 *Restated
Allotted, called up and fully paid		
181,369,347 ordinary shares of £1 each (2024: 181,369,347)	**181,369**	181,369
Share premium account	**14,510**	14,510
Retained earnings	**(24,199)**	(20,628)
Total shareholders' funds	**171,680**	175,251

Notes to the financial statements *(continued)*

18 Prior year restatement

In the year ended 31 March 2025 the Company restated the prior year financial information. The impact of the restatement is summarised below:

31 March 2024 – Income statement (extract)

	2024 £'000	(i) ERP £'000	2024 *Restated £'000
Cost of revenue	(148,150)	744	(147,406)
Operating profit /(loss)	**146**	**744**	**890**
Profit/ (loss) before taxation	**344**	**744**	**1,088**
Profit/ (loss) for the financial year	**344**	**744**	**1,088**

31 March 2024 – Statement of financial position (extract)

	2024 £'000	(i) ERP	2024 £'000 *Restated
Non-current assets			
Intangible assets	32,017	6,539	**38,556**
	199,827	**6,539**	**206,366**
Total assets less current liabilities	**199,717**	**6,539**	**206,256**
Net assets	**168,712**	**6,539**	**175,251**
Retained earnings	(27,167)	6,539	(20,628)
Total shareholders' funds	**168,712**	**6,539**	**175,251**

Only those financial statement line items which have been restated have been disclosed above. The total non-current assets, total assets less current liabilities, net assets, total shareholders' funds do not therefore represent the sum of the line items presented above.

31 March 2024 – Statement of Changes in Equity (extract)

	Previously published 2024 £000	**(i) ERP adjustment £000**	**Restated 2024 £000**
Retained earnings at 1 April 2023	(27,511)	5,796	(21,715)
Total shareholders' funds at 1 April 2023	168,368	5,796	174,164
Retained earnings at 31 March 2024	(27,167)	6,539	(20,628)
Total shareholders' deficit at 31 March 2024	168,712	6,539	175,251

Notes to the financial statements *(continued)*

18 Prior year restatement (continued)

(i) ERP Adjustment

In prior years, the ERP system was considered to be available for use in December 2017 and amortised from that date over a 10 year useful economic life. During the year, management revisited the accounting treatment of the ERP system and identified that the amortisation expense relating to the ERP system was incorrectly calculated during the previous years. As a result, the amortisation recorded in the prior year and the accumulated amortisation recorded to date have been adjusted resulting in an income statement impact of £744,000 reduction to amortisation in FY24 and an impact on statement of financial position as at 31 March 2024 of £6,539,000. The tax impact of the prior year adjustments on the FY24 income statement and FY23 Retained earnings are £186k and £1,101k respectively (based on the effective tax rates of 25% and 19%).

2) Property, Plant & Equipment Adjustment

Management performed a full review of Property, Plant & Equipment testing for existence. Management identified assets included in the opening balance (and prior year closing balance) with a nil net book value that were no longer in existence. The assets were written off resulting in an adjustment to the brought forward cost and accumulated depreciation. The impact of the adjustment is a reduction in cost of £41,255,000 and an equal reduction in accumulated depreciation.

3) Intangible Assets Adjustment

Management also performed a full review of Intangible Assets testing for existence. Management identified assets included in the opening balance (and prior year closing balance) with a nil net book value that were no longer in existence. The assets were written off resulting in an adjustment to the brought forward cost and accumulated amortisation. The impact of the adjustment is a reduction in cost of £30,581,000 and an equal reduction in accumulated amortisation.

19 Business combinations

In February 2025 Babcock International Limited transferred its central corporate overhead activities including employees, assets and liabilities, to the Company. The value of assets and liabilities, transferred at their acquisition-date fair value, along with the consideration in relation to the transfer of assets and liabilities is detailed in the table below. A total of 91 employees transferred from Babcock International Limited to the Company. The nature of the activities transferred align with the existing principal activities of the Company.

	Feb 2025 £'000
Plant & equipment	1,553
Prepayments and accrued income	675
Other debtors	80
Accruals and deferred income	(14,244)
Other taxes & social security	(726)
Total	**(12,662)**
Consideration	12,662
Profit/(loss) on disposal recognised in Babcock International Limited	**-**

An intercompany balance existed at 31 March 2025 in relation to the consideration.

Notes to the financial statements *(continued)*

20 Guarantees and financial commitments

a) Contingent liabilities

The Company had previously guaranteed or had joint and several liability for bank facilities that are shared across multiple Group companies, these were cancelled in the period to 31 March 2025 (31 March 2024: £8.3m).

b) Capital commitments

At 31 March 2025 the Company had capital commitments of £nil (2024: £nil)

21 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.

In the prior and current year the Company entered into transactions in the ordinary course of business with Ascent Flight Training (Management) Limited in which Babcock International Group PLC hold a 50% shareholding.

Transactions entered into and trading balances outstanding at 31 March 2025 are as follows:

Related party	**Sales to related party £000**	**Balance owed by £000**
Ascent Flight Training (Management) Limited	50	50

Transactions entered into and trading balances outstanding at 31 March 2024 are as follows:

Related party	**Sales to related party £000**	**Balance owed by £000**
Ascent Flight Training (Management) Limited	-	-

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

22 Pension commitments

Pension costs for defined contribution schemes are as follows:

	31 March 2025	31 March 2024
	£'000	£'000
Defined contribution schemes	**7,941**	6,157

The Company accounts for pension costs in accordance with IAS 19. The Company contributes to a defined contribution scheme in the UK in respect of a number of its employees.

23 Events after the reporting period

The Directors of the Company have considered the events within the Middle East, specifically the military action between the USA, Israel and Iran, and consider that does not give rise to any post balance sheet impact on these accounts. This is an unadjusted post balance sheet event.

Notes to the financial statements *(continued)*

24 Immediate and ultimate parent undertakings

The Company's immediate parent company is Vosper Thornycroft (UK) Limited, a company registered in England and Wales. The Company's ultimate parent undertaking and controlling party is Babcock International Group PLC, a company registered in England and Wales. The only Group in which the results of the Company are consolidated is that headed by Babcock International Group PLC.

Copies of Babcock International Group PLC Financial Statements are available from the following address:

The Company Secretary
Babcock International Group PLC
33 Wigmore Street
London W1U 1QX