

Babcock Leaseco Limited

Annual report and financial statements

For the year ended 31 March 2014

Company registration number:

04168215

FRIDAY



A3MLGL6I

A35

12/12/2014

#248

COMPANIES HOUSE

The Directors present their report and financial statements for the year ended 31 March 2014. This report has been prepared taking advantage of the small companies' exemption in accordance with section 415A of the Companies Act 2006. The Directors have also taken advantage of the small companies' exemption in accordance with section 414B of the Companies Act 2006, from preparing a Strategic report.

Principal activities

The company's principal activity is the leasing of vessels.

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Babcock International Group Plc. The directors have received confirmation that Babcock Leaseco Limited intend to support the company for at least one year after these financial statements are signed.

Future developments

Following the sale of the assets to Babcock Critical Services in the prior year the company is expected to become dormant.

Results and dividends

The results for the company show a loss on ordinary activities before taxation of £54,000 (2013: loss of £47,000) and turnover of £nil (2013: £176,000).

The company previously leased pilot/patrol boats to another group company under a jointly held contract with Associated British Ports (ABP). Following the disposal of these vessels the company ceased to actively trade.

The directors do not recommend the payments of a dividend (2013: £nil).

Directors of the company

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

J Davies
F Martinelli

Directors' liabilities

Under their respective Articles of Association, the directors of the Company are, and were during the year to 31 March 2014, entitled to be indemnified by the Company 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.

Political and charitable donations

In the year ended 31 March 2014 the company made charitable donations of £nil (2013: £nil). There were no political contributions during the financial year (2013: £nil).

Statement of directors' responsibilities

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- 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
- 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors and the disclosure of information

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) 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.

By order of the Board



F Martinelli
Director
9 December 2014

Independent auditors' report to the members of Babcock Leaseco Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Babcock Leaseco Limited, comprise:

- the balance sheet as at 31 March 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

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

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

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Babcock Leaseco Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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



Phil Harrold (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
10 December 2014

Babcock Leaseco Limited
Profit and loss account

For the year ended 31 March 2014

	Notes	2014 £'000	2013 £'000
Turnover	2	-	176
Cost of sales		-	(150)
Gross profit		-	26
Interest payable and similar charges	3	(54)	(73)
Loss on ordinary activities before taxation	4	(54)	(47)
Tax on loss on ordinary activities	7	-	91
(Loss)/profit for the financial year	11	(54)	44

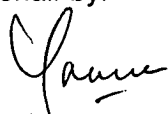
There is no material difference between the loss on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents.

There were no other recognised gains or losses aside from those shown in the profit and loss account.

All results derive from discontinued operations.

	Notes	2014 £'000	2013 £'000
Current assets			
Debtors	8	-	336
		-	336
Creditors – amounts falling due within one year	9	(4,608)	(4,890)
Net current liabilities		(4,608)	(4,554)
Net liabilities		(4,608)	(4,554)
Capital and reserves			
Share capital		-	-
Profit and loss account	11	(4,608)	(4,554)
Total Shareholders' deficit	11	(4,608)	(4,554)

The financial statements on pages 5 – 11 were approved by the board of directors and signed on its behalf by:



F Martinelli
Director
9 December 2014

1. Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

Under the provisions of FRS 1 (Revised 1996) "Cash Flow Statements", the company has not prepared a cash flow statement because its ultimate parent company, Babcock International Group PLC, which is registered in England and Wales, prepares publicly available consolidated financial statements in which the results and cash flows of the company are included. The company is also exempt under the terms of FRS 8 from disclosing related-party transactions with entities that are part of the Babcock International Group PLC or investees of the Babcock International Group PLC group.

Taxation

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 substantially enacted as at the balance sheet date. The taxation liabilities of certain group companies may be reduced, wholly or in part, by surrender of losses by fellow group companies. The decision to charge group relief is made on a case by case basis.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Going concern

The company has net liabilities at 31 March 2014. The directors have prepared the financial statements on a going concern basis as confirmation has been received from Vosper Thornycroft (UK) Limited, the company's parent undertaking, that they will provide financial support to the company to meet its liabilities as they fall due.

Group financial statements

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by the Companies Act 2006 because it is a wholly owned subsidiary of Babcock International Group PLC which prepares consolidated financial statements which are publicly available.

2. Turnover

Turnover is entirely attributable to the United Kingdom market and entirely attributable to the activities described in the Directors' report.

3. Interest payable and similar income charges

	2014 £'000	2013 £'000
Bank interest	<u>54</u>	<u>73</u>

4. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2014 £'000	2013 £'000
Depreciation – owned fixed assets (note 8)	-	176
Auditors' remuneration	-	-
- audit fees	-	-

The audit fees are borne by the parent company and no recharges are made to the entity in this respect.

5. Staff costs

There were no employees of the company during the current, or prior financial year.

6. Directors' remuneration

None of the directors received remuneration for their services to the company, as the services provided to the company are incidental to their wider role in the group (2013: £nil).

7. Tax on loss on ordinary activities

	2014 £'000	2013 £'000
Current tax		
UK Corporation tax on loss for the year	<u>-</u>	<u>-</u>
Current tax charge for the year	-	-
Deferred tax:		
Origination and reversal of timing differences	<u>-</u>	<u>91</u>
Tax credit	<u>-</u>	<u>91</u>

7. Tax on loss on ordinary activities (continued)

The tax assessed for the year is higher (2013: higher) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2014 of 23% (2013: 24%). The differences are explained below:

	2014 £'000	2013 £'000
Loss on ordinary activities before tax	<u>(54)</u>	<u>(47)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 23% (2013: 24%)	(12)	(11)
Effects of:		
Timing differences	-	42
Group relief for nil consideration	<u>12</u>	<u>(31)</u>
Current tax charged for the year	<u>-</u>	<u>-</u>

Factors affecting current and future tax charges

A number of changes to the UK Corporation tax system were announced in the March 2012 Budget Statement. Legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 is included in the Finance Act 2013. Further changes to the UK corporation tax system were announced in the March 2013 Budget Statement. These included further reductions to the main corporation rate from 21% to 20% by 1 April 2015. These further changes have been substantively enacted at the balance sheet date and, therefore the impact is included in these financial statements. As a result of the above all deferred tax balances are restated at 20% at the balance sheet date.

8. Debtors

	2014 £'000	2013 £'000
Amounts owed by group undertakings	<u>-</u>	<u>336</u>

9. Creditors - amounts falling due within one year

	2014 £'000	2013 £'000
Bank loans and overdrafts	-	4,724
Accruals and deferred income	-	74
Amounts owed to group undertakings	4,516	-
UK corporation tax payable	<u>92</u>	<u>92</u>
	<u>4,608</u>	<u>4,890</u>

10. Called-up share capital

	2014 £	2013 £
Authorised		
1 ordinary shares of £1 each (2013: 1 ordinary share of £1 each)	1	1
Allotted, issued and fully paid		
1 ordinary shares of £1 each (2013: 1 ordinary share of £1 each)	1	1

11. Profit and loss account

	Profit and loss account £'000	Total £'000
At 1 April 2013	(4,554)	(4,554)
Loss for the financial year	(54)	(54)
At 31 March 2014	(4,608)	(4,608)
	Profit and loss account £'000	Total £'000
At 1 April 2012	(4,598)	(4,598)
Profit for the financial year	44	44
At 31 March 2013	(4,554)	(4,554)

12. Guarantees and financial commitments

The Company at the year end had guaranteed or had joint and several liabilities for drawn Babcock International Group PLC bank facilities of £620.8 million (2013: £658.6 million).

In addition, the company at the year end had joint and several liabilities for drawn bank overdraft facilities of other group companies for the value of £nil (2013: £nil).

13. Related party disclosures

The Company, as a wholly owned subsidiary, has taken advantage of the exemption, granted under Financial Reporting Standard 8, Related Party Disclosures, from disclosing details of sales and purchases with other members of the group headed up by Babcock International Group PLC.

14. Ultimate parent undertaking

The immediate parent undertaking is Vosper Thornycroft (UK) Limited, a company incorporated in Great Britain and registered in England and Wales.

The Company's ultimate parent company 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