

# **VT Leaseco Limited**

## **Directors' report and financial statements**

Registered number 4168215

31 March 2005



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**VT Leaseco Limited**  
**Directors' report and financial statements**

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**VT Leaseco Limited**  
**Directors' report and financial statements**

**Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2005.

**Principal activity**

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

**Business review**

The company has provided funds for the construction of 3 catamarans. These have been completed and are being leased to a contracted third party.

Also the company acquired a further 2 pilot/patrol boats from a fellow group company which are being leased to Associated British Ports (ABP) together with a support/maintenance/replacement package with a fellow group company over a 10 year period.

**Dividends**

The directors do not recommend the payment of a dividend (2004: £Nil).

**Directors**

The directors who held office during the year were as follows:

CJ Cundy  
SE Tarrant

The directors are also directors of VT Group plc and their interests in the shares of that company and their rights to subscribe for shares of that company are shown in its directors' report.

**Auditors**

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



**MP Jowett**  
Secretary

**VT Leaseco Limited**  
**Directors' report and financial statements**

**Statement of directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG Audit Plc

Dukes Keep  
Marsh Lane  
Southampton  
Hampshire SO14 3EX

### Report of the independent auditors to the members of VT Leaseco Limited

We have audited the financial statements on pages 4 to 10.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

#### *Respective responsibilities of directors and auditors*

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

#### *Basis of audit opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*  
KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

*27 July 2005*

**VT Leaseco Limited**  
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**Profit and loss account**

*for the year ended 31 March 2005*

	Notes	2005 £000	2004 £000
Turnover	2	1,383	331
Cost of sales		<u>(1,231)</u>	<u>(122)</u>
Gross profit		152	209
Administrative expenses		<u>(3)</u>	<u>-</u>
Operating profit		149	209
Interest payable and similar charges	4	<u>(416)</u>	<u>(38)</u>
(Loss)/profit on ordinary activities before taxation	5	(267)	171
Tax on (loss)/profit on ordinary activities	6	<u>78</u>	<u>(52)</u>
Retained (loss)/profit for the financial year	12	<u>(189)</u>	<u>119</u>

The above results all relate to continuing activities.

There are no recognised gains or losses other than the loss for the year reported above. There is also no difference between the (loss)/profit on ordinary activities before taxation and the retained (loss)/profit for the financial year stated above, and their historical cost equivalents.

**VT Leaseco Limited**  
**Directors' report and financial statements**

**Balance sheet**  
*at 31 March 2005*

	Notes	2005 £000	2004 £000
<b>Fixed assets</b>			
Tangible assets	7	<u>8,958</u>	<u>9,901</u>
<b>Current assets</b>			
Debtors	8	435	779
<b>Creditors: amounts falling due within one year</b>	9	<u>(8,269)</u>	<u>(9,594)</u>
<b>Net current liabilities</b>		<u>(7,834)</u>	<u>(8,815)</u>
<b>Total assets less current liabilities</b>		1,124	1,086
<b>Provisions for liabilities and charges</b>	10	<u>(1,157)</u>	<u>(930)</u>
<b>Net (liabilities)/assets</b>		<u>(33)</u>	<u>156</u>
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Profit and loss account	12	<u>(33)</u>	<u>156</u>
<b>Equity shareholder's (deficit)/funds</b>	13	<u>(33)</u>	<u>156</u>

These financial statements were approved by the board of directors on 16th MAY 2005 and were signed on its behalf by:

  
**CJ Cundy**  
*Director*

# **VT Leaseco Limited**

## **Directors' report and financial statements**

### **Notes**

*(forming part of the financial statements)*

#### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

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

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

The financial statements have been prepared on the going concern basis because the company's ultimate parent undertaking has confirmed that it will provide such financial and other support as is necessary to enable the company to meet its liabilities for the foreseeable future.

Under Financial Reporting Standard 1 (1996 Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

In addition advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with VT Group plc or other group undertakings as the consolidated financial statements of VT Group plc in which the company is included are publicly available.

##### ***Fixed assets and depreciation***

Fixed assets are stated at cost. The cost of fixed assets includes the valuation of construction to date and interest charged on the funds received to finance the project during development. Interest on loans will be capitalised up to the date of completion of each vessel. Upon completion of each vessel, depreciation is provided to write off the cost less the estimated residual value of the tangible fixed asset in equal instalments over its useful economic life.

Vessels                      -              10 years

##### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

##### ***Turnover***

Turnover represents income earned excluding VAT during the period from the leasing of vessels.

#### **2 Turnover**

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

#### **3 Remuneration of directors**

During the year and the previous year, the emoluments of the directors were borne by a fellow group company.



**VT Leaseco Limited**  
**Directors' report and financial statements**

**Notes** *(continued)*

**4 Interest payable and similar charges**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
On bank borrowings	<b>421</b>	<b>332</b>
Less: finance costs capitalised	<b>(5)</b>	<b>(294)</b>
	<b>416</b>	<b>38</b>

**5 (Loss)/profit on ordinary activities before taxation**

(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Depreciation	<b>950</b>	<b>122</b>
Auditors remuneration	<b>2</b>	<b>1</b>
Operating lease rentals receivable	<b>1,383</b>	<b>331</b>

**6 Taxation**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
<i>Current tax</i>		
Group relief receivable	<b>(305)</b>	<b>(680)</b>
Adjustments in respect of prior years	<b>-</b>	<b>9</b>
Total current tax credit	<b>(305)</b>	<b>(671)</b>
<i>Deferred tax</i>		
Origination and reversal of timing differences	<b>227</b>	<b>731</b>
Adjustments in respect of prior years	<b>-</b>	<b>(8)</b>
Total deferred tax charge (note 10)	<b>227</b>	<b>723</b>
<b>Tax (credit)/charge on (loss)/profit on ordinary activities</b>	<b>(78)</b>	<b>52</b>

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**Notes (continued)**

**6 Taxation (continued)**

**Factors affecting the tax charge for the current period**

The current tax charge for the year is lower (2004: lower) than the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are explained below:

	2005 £000	2004 £000
(Loss)/profit on ordinary activities before tax	(267)	171
(Loss)/profit on ordinary activities multiplied by standard rate in UK of 30% (2004: 30%)	(80)	51
<i>Effects of:</i>		
Difference between capital allowances and depreciation	(225)	(643)
Interest costs capitalised but taken as deduction	-	(88)
Current tax credit for the period	(305)	(680)

**Factors affecting future tax charge**

Based on current capital investments, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years but at a lower level than in the current year.

**7 Tangible assets**

	Assets in the course of construction £000	Vessels £000	Total £000
<b>Cost</b>			
At beginning of year	8,371	1,665	10,036
Additions	5	2	7
Transfer	(8,376)	8,376	-
At end of year	-	10,043	10,043
<b>Depreciation</b>			
At beginning of year	-	135	135
Charge for year	-	950	950
At end of year	-	1,085	1,085
<b>Net book value</b>			
At 31 March 2005	-	8,958	8,958
At 31 March 2004	8,371	1,530	9,901

The gross book value of tangible fixed assets includes £589,000 (2004: £584,000) of capitalised interest, and includes vessels held for use in operating leases of £10,043,000 (2004: £1,665,000) with cumulative depreciation of £1,085,000 (2004: £135,000).

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**Notes** *(continued)*

**8 Debtors**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>97</b>	-
Amounts owed by group undertakings	<b>33</b>	99
Group relief receivable	<b>305</b>	680
	<b>435</b>	779

**9 Creditors: amounts falling due within one year**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Bank overdraft	<b>8,226</b>	9,553
Other taxes	<b>10</b>	9
Accruals and deferred income	<b>33</b>	32
	<b>8,269</b>	9,594

The bank overdraft is secured by a fixed and floating charge over the assets of the group.

**10 Provisions for liabilities and charges**

	<b>Deferred taxation £000</b>
At beginning of year	930
Created during the year	227
<b>At end of year</b>	<b>1,157</b>

Deferred taxation liability is analysed as follows:

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	<b>1,006</b>	756
Other timing differences	<b>151</b>	174
	<b>1,157</b>	930

**VT Leaseco Limited**  
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**Notes** *(continued)*

**11 Called up share capital**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

**12 Reserves**

	<b>Profit and loss account £000</b>
At beginning of year	156
Retained loss for the financial year	<u>(189)</u>
<b>At end of year</b>	<u><b>(33)</b></u>

**13 Reconciliation of movements in shareholder's funds**

	<b>2005</b>	<b>2004</b>
	<b>£000</b>	<b>£000</b>
(Loss)/profit for the financial year	<u>(189)</u>	<u>119</u>
Net (reduction in)/addition to shareholder's funds	<u>(189)</u>	<u>119</u>
Opening shareholder's funds	<u>156</u>	<u>37</u>
<b>Closing shareholder's (deficit)/funds</b>	<u><b>(33)</b></u>	<u><b>156</b></u>

**14 Ultimate parent company**

The company is a subsidiary undertaking of Vosper Thornycroft (UK) Limited, a company incorporated in Great Britain and registered in England and Wales. The ultimate parent undertaking is VT Group plc incorporated in Great Britain and registered in England and Wales.

The largest group in which the results of the company are reported is that headed by VT Group plc. The consolidated financial statements are available to the public at that company's registered office of Grange Drive, Hedge End, Southampton. No other financial statements include the results of the company.