

Whitefleet Limited
Directors' report and financial statements

For the year ended 31 March 2013

Company registration number:
04083239

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Directors and advisors

Directors

R Taylor
N Anderson
M Chessman
J Davies
C Parkes

Company secretary

N Borrett

Registered office

33 Wigmore Street
London
W1U 1QX

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Savannah House
3 Ocean Way
Southampton
SO14 3TJ

Directors' report and financial statements

Directors' report

The directors present their report and the audited financial statements of the Company, for the year ended 31 March 2013

Principal activities

The principal activity of the Company is the provision of contract management services to Babcock Land (Whitefleet Management) Limited, specifically in relation to a ten year contract obtained by that Company with the Ministry of Defence ("MoD"), which ended in August 2011

On 1st September 2011 the Company entered into a six month cooperation period continuing the Company's provision of contract management services to Babcock Land (Whitefleet Management) Limited. These services were subsequently extended for a further two months to the end of April 2012 with certain limited services provided afterwards, principally to ensure the procurement of services during the Olympic games in London

Business review

	2013 £000	2012 £000
Turnover	15,309	46,593
Operating profit	75	165

Future developments

The Company ceased trading during the year and there are no plans to continue trading. The Company will be wound up in due course and the financial statements have therefore been prepared on a break-up basis. No additional adjustments need to be made to the underlying accounting records to prepare the financial statements on a break-up basis.

Financial risk management

The Company is no longer trading therefore there is no further financial risk management needed. The remaining financial obligations will be met through existing reserves.

Results and dividends

The Company's loss for the financial year is £169,000 (2012 profit £118,000). The directors do not recommend the payment of a dividend (2012 £nil).

Directors

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

R Taylor
N Anderson
M Chessman
J Davies
C Parkes

Directors' report *(continued)*

Environment

The Company recognises its responsibility to minimise so far as reasonably possible the potential for adverse impacts from its operations. We aim to achieve the highest standards in environmental management and seek accreditation to appropriate standards where appropriate.

The Company has developed and implemented an environmental policy to ensure that the impact of its activities on the environment is limited to the minimum practicable level.

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, 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.

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.

Directors' report *(continued)*

Statement of directors' responsibilities *(continued)*


Directors' protection

Babcock International Group PLC also provides protections for directors of companies within the Group against personal financial exposure they may incur in their capacity as such. These include qualifying third party indemnity provisions (as defined by Companies Act 2006) for the benefit of directors of Babcock International Group PLC, including, where applicable, in their capacity as a director of the Company and other companies within the Group. These indemnities came into force in 2012 and remain in force.

On behalf of the Board



R Taylor
Director

 October 2013

Independent auditors' report to the members of Whitefleet Limited

We have audited the financial statements of Whitefleet Limited for the year ended 31 March 2013 which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 3 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 International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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 Directors' report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its loss and cash flows 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

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.

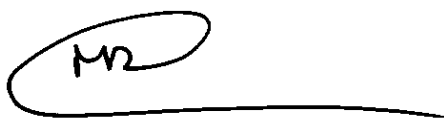
Directors' report and financial statements

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



Michael Coffin (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

25 October 2013

Directors' report and financial statements

Profit and loss account*for the year ended 31 March 2013*

	Notes	2013 £000	2012 £000
Turnover	2	15,309	46,593
Cost of sales		<u>(15,234)</u>	<u>(46,428)</u>
Profit on ordinary activities before taxation	3	75	165
Tax on profit on ordinary activities	6	<u>(244)</u>	<u>(47)</u>
(Loss) / Profit for the financial year	14	<u>(169)</u>	<u>118</u>

There is no difference between the profit (*2012 profit*) on ordinary activities before taxation and the loss (*2012 profit*) for the year stated above and their historical cost equivalents

There are no recognised gains or losses other than the loss (*2012 profit*) for the financial year reported above and therefore no separate statement of total recognised gains and losses has been presented

All results derive from discontinued activities

Directors' report and financial statements

Balance sheet
as at 31 March 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Intangible assets	7	-	-
Tangible assets	8	-	-
		-	-
Current assets			
Debtors	9	2,476	7,600
Cash at bank and in hand	18	5	5
		2,481	7,605
Creditors – amounts falling due within one year	10	(2,316)	(7,003)
Net current assets and total assets less current liabilities		165	602
Provisions for liabilities	12	(58)	(326)
Net assets		107	276
Capital and reserves			
Called-up share capital	13	50	50
Profit and loss account	14	57	226
Total shareholders' funds	14	107	276

The financial statements on pages 7 to 21 were approved by the Board of Directors and signed on its behalf by



R Taylor
 Director
 2nd October 2013

Directors' report and financial statements

Cash flow statement
for the year ended 31 March 2013

		2013 £000	2012 £000
Cash flow from operating activities	Notes 16	37	15
Tax paid		(37)	-
Capital expenditure			
Purchase of tangible assets		-	(16)
Movement in cash in the year	17	-	(1)

Notes to the financial statements
(forming part of the financial statements)

1. Accounting policies

The following accounting policies have been applied consistently throughout the year

Basis of preparation

These financial statements are prepared in accordance with UK generally accepted accounting principles and the Companies Act 2006, using the historical cost convention

Fundamental accounting concept – going concern

The financial statements have been prepared on the break-up basis, reflecting the appointment of Babcock Land Limited as the MoD's transport service provider with effect from 1 September 2011 and the resultant cessation of the Company's contract with the MoD. Assets are therefore carried at their estimated realisable values, and liabilities include those that will arise relating to the wind up of the Company

Intangibles

Pre-contract implementation costs incurred after the Company has been awarded the status of preferred bidder are carried forward as prepayments. Subsequently, they are capitalised as intangible assets and amortised over the period of the contract, once the contract has been obtained. If the contract is not awarded to the Company the costs are written off immediately to the profit and loss account.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and any provision for impairment in value. Cost includes the original purchase price of the asset and the costs directly attributable to bring the asset to its working condition for its intended use.

Depreciation is provided on a straight line basis to write off the cost of all tangible fixed assets over their estimated useful lives or contract period if shorter, to their estimated residual value as follows

Plant and machinery	3 to 10 years
Office equipment	3 to 10 years

Notes to the financial statements (continued)**1. Accounting policies (continued)****Turnover**

Turnover represents the value services provided net of value added tax

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Turnover from services rendered is recognised by reference to the stage of completion of the transaction. Turnover from services provided on a short-term or one-off basis is recognised when the service is complete.

The Company invoices the customer an agreed fixed price for the rental vehicles used and this is recognised as revenue in the period the rental relates to. The Company selects the supplier for the customer and agrees the price for the rental. The Company is invoiced by the supplier and is responsible for all payments to the supplier. Therefore the Company recognises the charges to the customer as revenue as the Company is acting as a principal in the transactions.

Operating lease income

Operating lease income is accounted for on a straight line basis with any rental increases recognised during the period to which they relate.

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 taxation 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 'Deferred tax'. Deferred taxation assets are recognised only to the extent that in the opinion of the directors, there is reasonable probability that the asset will crystallise in the foreseeable future. Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been substantively enacted by the balance sheet date.

Pensions costs and other post retirement benefits

The Company participates in a group wide pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company. The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Notes to the financial statements (continued)**1. Accounting policies (continued)****Pensions costs and other post retirement benefits (continued)**

The Company also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged against profit represents the contributions payable to the scheme in respect of the accounting period.

Cash at bank and in hand

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Provisions

Provisions are recognised when the Company 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.

Provisions for restructuring or reorganisation are recognised when a detailed formal restructuring plan has been approved and the restructuring has either commenced, or has been publicly announced. Future operating costs are not provided for.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

2. Turnover

Turnover derives from the provision of contract management and related services. It represents associated services credited to the profit and loss account during the year, all of which arises in the United Kingdom. The analysis of turnover is as follows:

	2013	2012
	£000	£000
Operating leases	-	5,156
Associated services	15,309	41,437
	<hr/> 15,309	<hr/> 46,593

Notes to the financial statements (continued)**3. Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging

	2013 £000	2012 £000
Depreciation – owned fixed assets (note 8)	-	107
Amortisation of other intangible assets (note 7)	-	25
Operating lease rentals		
- plant and machinery	7,313	20,311
- other	-	101
Staff costs (note 4)	-	3,240
Services provided by the Company's auditor		
Fees payable for the audit of the financial statements	20	26

No other fees were payable to PricewaterhouseCoopers LLP, or its associates, in respect of this Company, other than the statutory audit of the Company

4. Staff costs

All of the Company's employees either left or were transferred to another Babcock Group Company in February 2012. The average monthly number of employees employed by the Company during the year was as follows

	2013 Number	2012 Number
Management and administration	-	73

Their aggregate remuneration comprised

	2013 £000	2012 £000
Wages and salaries	-	2,718
Social security costs	-	153
Other pension costs	-	369
	<hr/>	<hr/>
	-	3,240

5. 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 (2012 £nil)

Directors' report and financial statements

Notes to the financial statements (continued)

6. Tax on profit on ordinary activities

	2013 £000	2012 £000
<i>Current tax</i>		
UK Corporation tax on profits for the year	-	40
Total current tax	-	40
<i>Deferred tax</i>		
Origination and reversal of timing differences	130	(12)
Adjustment in respect of prior years	114	-
Impact of change in UK tax rate	-	19
Total deferred tax (note 11)	244	7
Tax on profit on ordinary activities	244	47

The tax assessed for the year is lower (2012 lower) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2013 of 24% (2012: 26%) The differences are explained below

	2013 £000	2012 £000
Profit on ordinary activities before taxation	75	165
Profit on ordinary activities multiplied by standard UK corporation tax rate of 24% (2012 26%)	18	43
Effects of		
Expenses not deductible for tax purposes	-	24
Un-provided deferred tax on losses carried forward	112	(40)
Capital allowances less than depreciation	-	20
Other timing differences	(130)	(7)
Current tax charged for the year	-	40

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 24% to 23% from 1 April 2013 is included in the Finance Act 2012. Further changes to the UK corporation tax system were announced in the March 2013 Budget Statement. Further reductions to the main rate are proposed to reduce the rate to 20% by 1 April 2015. These further changes were substantively enacted on 17 July 2013 as part of the Finance Act 2013, however as these changes had not been substantively enacted at the balance sheet date the impact is not included in these financial statements.

Notes to the financial statements *(continued)***7. Intangible assets**

	Set up costs £000
Cost	
At 1 April 2012 and 31 March 2013	<u>648</u>
Accumulated amortisation	
At 1 April 2012	648
Charge for the year	<u>-</u>
At 31 March 2013	<u>648</u>
Net book amount	
At 31 March 2013	<u>-</u>
At 31 March 2012	<u>-</u>

8. Tangible assets

	Plant, machinery, computer and office equipment £000
Cost	
At 1 April 2012 and 31 March 2013	<u>1,410</u>
Accumulated depreciation	
At 1 April 2012	1,410
Charge for the year	<u>-</u>
At 31 March 2013	<u>1,410</u>
Net book amount	
At 31 March 2013	<u>-</u>
At 31 March 2012	<u>-</u>

Directors' report and financial statements

Notes to the financial statements (continued)

9. Debtors

	2013 £000	2012 £000
Amounts falling due within one year:		
Amounts owed by related parties	2,156	7,348
Prepayments and accrued income	-	8
Other debtors	320	-
Deferred tax (note 11)	-	244
	2,476	7,600

Amounts owed by related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand (see note 19)

10. Creditors - amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	10	1,676
Amounts owed to related parties	129	61
Other creditors	843	14
Other taxation and social security	-	370
UK corporation tax payable	331	368
Accruals and deferred income	1,003	4,514
	2,316	7,003

Amounts owed to related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand (see note 19)

11. Deferred taxation

The major components of the deferred tax asset recognised are as follows

	2013 £000	2012 £000
Accelerated capital allowances	-	32
Other short term timing differences	-	212
	-	244

The movement on the deferred tax asset is as follows

	£000
At 1 April 2012	244
Current year movement	(130)
Prior year adjustment	(114)
At 31 March 2013	-

Notes to the financial statements *(continued)*

12. Provisions for liabilities

	Reorganisation provision £000
At 1 April 2012	(326)
Utilised during the year	268
At 31 March 2013	(58)

The reorganisation provision relates to costs that will be incurred in ending the Whitefleet contract. The provisions are expected to be fully utilised during the year ending 31 March 2014.

13. Called-up share capital

	2013 £000	2012 £000
Allotted and fully paid		
25,000 (2012 25,000) "A" ordinary shares of £1 each	25	25
25,000 (2012 25,000) "B" ordinary shares of £1 each	25	25
	50	50

'A' and 'B' shares are separate classes of shares each of which are entitled to one vote in aggregate at a general meeting. The Company's Memorandum and Articles of Association provide that the authorised and issued share capital of the Company shall consist only of 'A' and 'B' shares in equal proportions.

The shareholders of the 'A' class of shares may appoint two 'A' directors, but may not remove directors appointed by the holders of the 'B' class of shares. Similarly the shareholders of the 'B' class of shares may appoint two 'B' directors but may not remove directors appointed by the holders of the 'A' class of shares.

Babcock International Group PLC may appoint one director and the Board has the right, at its discretion, to appoint one further director, the directors so appointed may only be removed by the respective appointer.

With the exception of the above voting rights and power of appointment of directors the shares rank *pari passu* in all respects.

Notes to the financial statements (*continued*)

14. Reconciliation of movement in shareholders funds and reserves

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 April 2012	50	226	276
(Loss) for the financial year	-	(169)	(169)
At 31 March 2013	50	57	107

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 April 2011	50	108	158
Profit for the financial year	-	118	118
At 31 March 2012	50	226	276

15. Guarantees and financial commitments

At 31 March, the Company had annual commitments under non-cancellable operating leases relating to land and buildings as follows

	2013 £000	2012 £000
Other operating leases which expire Within one year	-	31
	-	31

16. Reconciliation of operating profit to operating cash flow

	2013 £000	2012 £000
Profit on ordinary activities before taxation	75	165
Depreciation	-	107
Amortisation	-	25
Decrease / (increase) in debtors	4,880	(562)
(Decrease) in creditors	(4,650)	(46)
Provision movements	(268)	326
Net cash flow from operating activities	37	15

Notes to the financial statements *(continued)*

17. Reconciliation of net cash flow to movement in net funds

	2013 £000	2012 £000
Movement in cash in year	-	(1)
Net funds at beginning of year	5	6
Net funds at end of year	5	5

18. Analysis of net funds

	At 1 April 2012 £000	Cash flow £000	At 31 March 2013 £000
Cash at bank and in hand	5	-	5

19. Related party transactions

During the year the Company entered into the following transactions in the normal course of business with the following shareholders and companies influenced by them

All dealings with related parties are conducted on an arm's length basis

Purchased from

	2013 £000	2012 £000
Babcock Land Limited	(337)	(1,497)
Lex Vehicle Leasing (Holdings) Limited	(1,585)	(85)
Babcock Communications Limited	-	(7)
Babcock International Limited	(6)	-
Babcock Training Limited	-	(2)
Babcock Corporate Services Limited	-	(28)
Babcock Land (Whitefleet Management) Limited	(80)	(331)
	(2,008)	(1,950)

Directors' report and financial statements

Notes to the financial statements (continued)

19. Related party disclosures (continued)

Sold/costs recharged to

	2013 £000	2012 £000
Babcock Land Limited	-	237
Babcock Critical Services Limited	-	22
Babcock Land (Whitefleet Management) Limited	15,309	46,593
Babcock International Support Services Limited	-	(2)
Babcock Corporate Services Limited	-	(3)
	15,309	46,847

Owed to

	2013 £000	2012 £000
Babcock Corporate Services Limited	-	(2)
Lex Vehicle Leasing (Holdings) Limited	-	-
Babcock Land (Whitefleet Management) Limited	(129)	(23)
Babcock Land Limited	-	(36)
	(129)	(61)

Owed by

	2013 £000	2012 £000
Babcock Land Limited	2,156	2,483
Lex Vehicle Leasing (Holdings) Limited	-	873
Babcock Land (Whitefleet Management) Limited	-	3,975
Babcock Critical Services Limited	-	17
	2,156	7,348

Notes to the financial statements (continued)**20. Pension commitments**

The Company is a member of a larger group wide pension scheme providing benefits based on final pensionable pay. The Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for in these financial statements as if the scheme was a defined contribution scheme.

The latest full actuarial valuation was carried out at 31 March 2010 and was updated for accounting purposes to 2013 by a qualified independent actuary. The pension charge for the period was £nil (2012 £341,691). At 31 March 2013, no contributions were outstanding (2012 £nil).

The net pension liability on the Babcock group wide pension scheme at 31 March 2013 was £13,174,000 (2012 £49,600,000). This represents the liability to Babcock International Group PLC as a whole and does not represent a liability to the Company.

The Company also operated several defined contribution pension schemes. The pension charge for the year includes contributions payable by the Company to these funds amounting to £nil (2012 £26,862). At 31 March 2013, no contributions were payable to the funds (2012 £nil).

21. Ultimate parent undertaking

The Company is jointly controlled by the ultimate parent companies of Babcock Land Limited and Lex Vehicle Leasing (Holdings) Limited, being Babcock International Group PLC and Lloyds Banking Group plc respectively.

Copies of the Babcock International Group PLC consolidated financial statements can be obtained from the Company secretary at that Company's registered office of 33 Wigmore Street, London, W1U 1QX.

Copies of the Lloyds Banking Group plc consolidated financial statements can be obtained from the Company secretary at that Company's registered office of 25 Gresham Street, London, EC2V 7HN.