
Whitefleet Limited

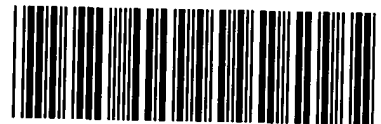
Annual Report

For the year ended 31 March 2014

Company registration number:

04083239

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COMPANIES HOUSE

Whitefleet Limited**Directors and advisors****Directors**

N Anderson
M Chessman
J Davies
C Parkes
R Taylor

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 for the year ended 31 March 2014

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2014

Principal activities and review of the business

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

On 1 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. The Company has now ceased trading.

	2014	2013
	£000	£000
Turnover	30	15,309
Profit on ordinary activities before taxation	1,158	75

Subsequent events

On 30 June 2014 an interim dividend of £19 per share was paid.

Future developments

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 non-going concern basis.

Results and dividends

The Company's results are set out on the profit and loss account on page 7 showing a profit for the financial year after tax of £918,000 (2013: *loss* £169,000). The directors do not recommend payment of a final dividend (2013: *£nil*).

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.

Directors' report for the year ended 31 March 2014 *(Continued)*

Directors

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

N Anderson
M Chessman
J Davies
C Parkes
R Taylor

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.

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 members 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.

Directors' report for the year ended 31 March 2014 *(Continued)*

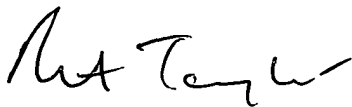
Statement of directors' responsibilities *(Continued)*

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.

The directors have taken advantage of section 414B of the Companies Act 2006 in relation to small entities.

By order of the board

A handwritten signature in black ink, appearing to read 'R Taylor', with a stylized flourish at the end.

R Taylor
Director
17 September 2014

Independent auditors' report to the members of Whitefleet 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 profit 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.

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

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the basis of accounting. The company has ceased trading and it is the intention of the directors to liquidate the Company. Accordingly, the going concern basis of accounting is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision to cease trading or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

What we have audited

The financial statements, which are prepared by Whitefleet Limited, comprise:

- the Balance sheet as at 31 March 2014;
- the Profit and loss account for the year then ended;
- the Cash flow statement 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.

Report on the financial statements (Continued)

What an audit of financial statements involves (Continued)

In addition, we read all the financial and non-financial information in the Annual Report 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.

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 from preparing a strategic report. We have no exceptions to report arising from this responsibility.

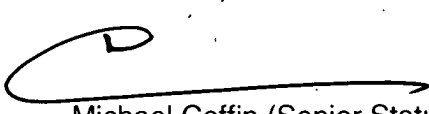
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 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 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.



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

22 September 2014

Whitefleet Limited**Profit and loss account***for the year ended 31 March 2014*

	Notes	2014 £000	2013 £000
Turnover	2	30	15,309
Cost of sales		<u>1,128</u>	<u>(15,234)</u>
Profit on ordinary activities before taxation	3	1,158	75
Tax on profit on ordinary activities	6	<u>(240)</u>	<u>(244)</u>
Profit / (loss) for the financial year	11	<u>918</u>	<u>(169)</u>

There is no difference between the profit (*2013: profit*) on ordinary activities before taxation and the profit (*2013: loss*) for the year stated above and their historical cost equivalents.

There are no recognised gains or losses other than the profit (*2013: loss*) 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.

Whitefleet Limited**Balance sheet**
as at 31 March 2014

	Notes	2014 £000	2013 £000
Current assets			
Debtors	7	2,517	2,476
Cash at bank and in hand	13	5	5
		2,522	2,481
Creditors – amounts falling due within one year	8	(1,497)	(2,316)
Net current assets and total assets less current liabilities		1,025	165
Provisions for liabilities	9	-	(58)
Net assets		1,025	107
Capital and reserves			
Called-up share capital	10	50	50
Profit and loss reserve	11	975	57
Total shareholders' funds	11	1,025	107

The financial statements on pages 7 to 17 were approved by the Board of Directors and signed on its behalf by:



R Taylor
Director

17 September 2014

Whitefleet Limited**Cash flow statement***for the year ended 31 March 2014*

		2014	2013
		£000	£000
Cash flow from operating activities	Notes 12	-	37
Tax paid		-	(37)
Movement in cash in the year	13	-	-

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.

The Company ceased trading during the prior year, and it is the intention of the directors to liquidate the Company. Accordingly, the going concern basis of accounting is no longer appropriate and these financial statements have been prepared on a basis other than going concern. Provision for liabilities arising as a result of the decision to cease trading were made in the prior year, and no adjustment is therefore required in these financial statements in this regard. No adjustments were necessary in these financial statements to write down assets to their recoverable value or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Turnover

Turnover represents the value of 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.

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.

Notes to the financial statements (Continued)**1. Accounting policies (Continued)****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:

	2014	2013
	£000	£000
Associated services	30	15,309

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2014	2013
	£000	£000
Operating lease rentals		
- plant and machinery	-	7,313
Services provided by the Company's auditor		
Fees payable for the audit of the financial statements	20	20

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

Notes to the financial statements (Continued)**4. Staff costs**

All of the Company's employees either left or were transferred to another Babcock Group Company in February 2012.

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 (2013: *£nil*).

6. Tax on profit on ordinary activities

	2014 £000	2013 £000
Current tax charge for the year	240	-
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	130
Adjustment in respect of prior years	-	114
Total deferred tax	-	244
Total tax charge for the year	240	244

The tax assessed for the year is lower (2013: *lower*) 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
Profit on ordinary activities before tax	1,158	75
Profit on ordinary activities multiplied by standard UK corporation tax rate of 23% (2013: 24%)	266	18
Effects of:		
Un-provided deferred tax on losses carried forward	-	112
Other timing differences	(26)	(130)
Current tax charged for the year	240	-

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

Notes to the financial statements *(Continued)*

6. Tax on profit on ordinary activities *(Continued)*

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.

7. Debtors

	2014	2013
	£000	£000
Amounts falling due within one year:		
Amounts owed by related parties	2,517	2,156
Other debtors	-	320
	2,517	2,476

Amounts owed by related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand (see note 15).

8. Creditors - amounts falling due within one year

	2014	2013
	£000	£000
Trade creditors	-	10
Amounts owed to related parties	200	129
Other creditors	-	843
UK corporation tax payable	571	331
Accruals and deferred income	726	1,003
	1,497	2,316

Amounts owed to related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand (see note 15).

Notes to the financial statements (Continued)**9. Provisions for liabilities**

	Reorganisation provision £000
At 1 April 2013	(58)
Utilised during the year	58
At 31 March 2014	-

The reorganisation provision related to costs incurred in ending the Whitefleet contract. The provisions were fully utilised during the year.

10. Called-up share capital

	2014 £000	2013 £000
Allotted and fully paid		
25,000 (2013: 25,000) "A" ordinary shares of £1 each	25	25
25,000 (2013: 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)*

11. Reconciliation of movement in shareholders' funds and reserves

	Called up share capital £000	Profit and loss account £000	Total £000
At 1 April 2013	50	57	107
Profit for the financial year	-	918	918
At 31 March 2014	50	975	1,025

	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

12. Reconciliation of operating profit to operating cash flow

	2014 £000	2013 £000
Profit on ordinary activities before taxation	1,158	75
(Increase) / decrease in debtors	(41)	4,880
(Decrease) in creditors	(1,059)	(4,650)
Provision movements	(58)	(268)
Net cash flow from operating activities	-	37

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

	2014 £000	2013 £000
Movement in cash in year	-	-
Net funds at beginning of year	5	5
Net funds at end of year	5	5

Notes to the financial statements (Continued)**14. Analysis of net funds**

	At 1 April 2013 £000	Cash flow £000	At 31 March 2014 £000
Cash at bank and in hand	5	-	5

15. 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:

	2014 £000	2013 £000
Babcock Land Limited	-	(337)
Lex Vehicle Leasing (Holdings) Limited	-	(1,585)
Babcock International Limited	-	(6)
Babcock Land (Whitefleet Management) Limited	-	(80)
	-	(2,008)

Sold/costs recharged to:

	2014 £000	2013 £000
Babcock Land (Whitefleet Management) Limited	-	15,110

Purchased/costs recharged from:

	2014 £000	2013 £000
Babcock Land (Whitefleet Management) Limited	-	(80)

Owed to:

	2014 £000	2013 £000
Babcock Land (Whitefleet Management) Limited	(200)	(129)

Notes to the financial statements *(Continued)*

15. Related party transactions *(Continued)*

Owed by:

	2014 £000	2013 £000
Babcock Land Limited	2,517	2,156

16. Subsequent events

On 30 June 2014 an interim dividend of £19 per share was paid.

17. 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.