
Babcock Land (Whitefleet Management) Limited

Annual Report

For the year ended 31 March 2015

**Company registration number:
04020610**



A11 *A4L0079E* #265
26/11/2015
COMPANIES HOUSE

Babcock Land (Whitefleet Management) Limited

Directors and advisors

Directors

F Martinelli
N Anderson
J Davies

Company secretary

Babcock Corporate Secretaries Limited

Registered office

33 Wigmore Street
London
W1U 1QX

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Oceana House
34-49 Commercial Road
Southampton
SO15 1GA

Babcock Land (Whitefleet Management) Limited

Strategic report for the year ended 31 March 2015

The directors present their strategic report on the Company for the year ended 31 March 2015.

Principal activities

The principal activity of the Company used to be the supply of private and commercial non-military vehicles, however the Company is no longer trading.

Review of the business

	2015	2014
	£000	£000
Turnover	-	-
Profit on ordinary activities before taxation	30	139

The Company's contract with the Ministry of Defence ("MoD"), referred to as the "White Fleet" contract, ended in February 2012 with the transfer of services to "Phoenix", the MoD's new vehicle provision contract operated by another group company. Certain limited services were provided up until November 2012. As the Company is no longer trading, no further financial risk management or analysis using key performance indicators ("KPI's") is required.

The Company's sole customer was the MoD and it sourced its purchases from Lex Vehicle Leasing Limited for the supply of private cars, Babcock Land Limited for the supply of commercial vehicles and Whitefleet Limited for contract management.

The Company acted as a principal on the contract.

Future developments

The Company ceased trading in a prior year as a result of the White Fleet contract coming to an end and there are no plans to recommence trading. The Company will be wound up in due course and the financial statements have therefore been prepared on a basis other than going concern.

By order of the board



N Anderson

Director

23 September 2015

Directors' report for the year ended 31 March 2015

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015.

Results and dividends

The Company's results for the year are set out in the profit and loss account on page 8 showing a profit for the financial year of £30,000 (2014: £139,000). At 31 March 2015, the Company had net assets of £594,000 (2014: £564,000).

No dividends were paid or proposed in the year (2014: £Nil).

Future developments

Information on the future developments of the Company can be found in the strategic report.

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

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

F Martinelli
N Anderson
J Davies

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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.

Directors' report for the year ended 31 March 2015 *(continued)*

Statement of directors' responsibilities *(continued)*

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 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 directors of the Company and other companies within the Group. These indemnities came into force in 2012 and remain in force.

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.

On behalf of the board



N Anderson

Director

23 September 2015

Independent auditors' report to the members of Babcock Land (Whitefleet Management) Limited

Report on the financial statements

Our opinion

In our opinion, Babcock Land (Whitefleet Management) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit 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.

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 disclosure made in note 1 to the financial statements concerning the basis of preparation. The company has ceased trading and the directors expect the company to be wound up in due course. Accordingly, the going concern basis of preparation 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. Adjustments have been made in these financial statements to reduce assets to their realisable values, and to provide for liabilities arising from the decision.

What we have audited

The financial statements comprise:

- the balance sheet as at 31 March 2015
- the profit and loss account for the year 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 judgments, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 Land (Whitefleet Management) 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.

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 on pages 3 and 4 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) ("ISAs (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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

Independent auditors' report to the members of Babcock Land (Whitefleet Management) Limited *(continued)*

Responsibilities for the financial statements and the audit *(continued)*

What an audit of financial statements involves *(continued)*

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



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

23 September 2015

Babcock Land (Whitefleet Management) Limited**Profit and loss account***for the year ended 31 March 2015*

	Note	2015 £000	2014 £000
Turnover		-	-
Cost of sales		<u>30</u>	<u>139</u>
Profit on ordinary activities before taxation	2	<u>30</u>	<u>139</u>
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit for the financial year	9	<u><u>30</u></u>	<u><u>139</u></u>

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

There are no recognised gains or losses other than the profit (2014: profit) for the financial year reported above and therefore no separate statement of recognised gains or losses has been presented.

All results derive from discontinued activities.

Babcock Land (Whitefleet Management) Limited**Balance sheet***as at 31 March 2015*

	Note	2015 £000	2014 £000
Current assets			
Debtors	5	729	284
Cash at bank and in hand		-	445
		<u>729</u>	<u>729</u>
Creditors amounts falling due within one year	6	<u>(135)</u>	<u>(140)</u>
Net current assets		<u>594</u>	<u>589</u>
Provisions for liabilities	7	-	(25)
Net assets		<u>594</u>	<u>564</u>
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	<u>594</u>	<u>564</u>
Total shareholders' funds	10	<u>594</u>	<u>564</u>

The financial statements on pages 8-14 were approved by the board of directors and signed on its behalf by:



N Anderson
Director
23 September 2015

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

1. Accounting policies

The following accounting policies have been applied consistently throughout the financial year.

Basis of preparation

The financial statements have been prepared in accordance with UK generally accepted accounting principles and the Companies Act 2006, using the historical cost convention.

The Company is a wholly-owned subsidiary of Babcock International Group PLC. Consequently, the Company has taken advantage of the exemption available under FRS 8 not to disclose details of transactions with Babcock International Group PLC or other group undertakings, and is included in the consolidated financial statements of Babcock International Group PLC, which are publicly available.

Fundamental accounting concept - going concern

The Company ceased trading in a prior year. Accordingly, the going concern basis of accounting is no longer appropriate. Adjustments have been made in these financial statements to write down assets to their recoverable value and to provide for liabilities arising as a result of the decision to cease trading. The principal accounting policies, which have been applied consistently throughout the year, are set out below and, where necessary, have been updated to include any policies which are now considered significant given the presentation of the financial statements as at 31 March 2014 and 31 March 2015 on a basis other than going concern.

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.

Leases

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

Cash flow statement

The Company is a wholly-owned subsidiary of Babcock International Group PLC 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 a cash flow statement under the terms of FRS 1 (revised 1996).

Notes to the financial statements (continued)**1. Accounting policies (continued)****Provisions for liabilities**

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.

2. Profit on ordinary activities before taxation

Fees paid to the Company's auditors, PricewaterhouseCoopers LLP, and its associates, for services other than the statutory audit of the Company, are disclosed on a consolidated basis in the financial statements of the ultimate parent undertaking, Babcock International Group PLC.

Fees payable for the audit to the Company's auditors, of £5,000 (2014: £5,000), are borne by Babcock Land Limited, a fellow group undertaking.

3. 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 (2014: £Nil). The Company employs no staff (2014: Nil).

4. Tax on profit on ordinary activities

	2015 £000	2014 £000
Current tax charge for the year	-	-
Tax on profit on ordinary activities	-	-

The tax assessed for the year is lower (2014: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2015 of 21% (2014: 23%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	30	139
Profit on ordinary activities multiplied by standard UK corporation tax rate of 21% (2014: 23%)	6	32
Effects of:		
Group relief for nil consideration	(6)	(32)
Current tax charge for the year	-	-

Babcock Land (Whitefleet Management) Limited

Notes to the financial statements *(continued)*

4. Tax on profit on ordinary activities *(continued)*

Factors affecting current and future tax charges

On 2 July 2013, Finance Act 2013 was substantively enacted, reducing the main rate of UK corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% from 1 April 2015. Closing deferred tax values have therefore been valued at 20% (2014: 20%).

The emergency budget on 8 July 2015 has proposed that the main rate of corporation tax will fall to 19% from 1 April 2017 and then down to 18% from 1 April 2020.

5. Debtors

	2015 £000	2014 £000
Due within one year:		
Amounts owed by joint venture and group undertakings	729	284
	<hr/>	<hr/>
	729	284

Amounts owed by joint venture and group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

6. Creditors - amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	-	4
UK corporation tax payable	135	135
Other creditors	-	1
	<hr/>	<hr/>
	135	140

The Company has access to the Babcock International Group PLC overdraft facility. The Company along with fellow group undertakings has provided cross-guarantees in relation to this facility (note 12).

7. Provisions for liabilities

	Closure provision £000
At 1 April 2014	(25)
Released to the profit and loss account	25
	<hr/>
At 31 March 2015	-

The closure provision related to the costs that were expected to be incurred by the Company in ceasing its operations.

Notes to the financial statements *(continued)***8. Called-up share capital**

	2015	2014
	£	£
Allotted, called up and fully paid		
1 (2014: 1) ordinary share of £1 each	<u>1</u>	<u>1</u>

9. Profit and Loss

	Profit and loss account £000
At 1 April 2014	564
Profit for the financial year	<u>30</u>
At 31 March 2015	<u>594</u>

	Profit and loss account £000
At 1 April 2013	425
Profit for the financial year	<u>139</u>
At 31 March 2014	<u>564</u>

10. Reconciliation of movements in shareholders' funds and reserves

	2015	2014
	£000	£000
Profit for the financial year	<u>30</u>	139
Net increase in shareholders' funds	30	139
Opening shareholders' funds	<u>564</u>	425
Closing shareholders' funds	<u>594</u>	564

Notes to the financial statements *(continued)***11. Guarantees and financial commitments***a) Contingent liabilities*

At the year end the Company had guaranteed or had joint and several liability for drawn Babcock International Group PLC bank facilities of £nil (2014: £620.8 million) provided to certain group companies. In addition, the Company at the year end had joint and several liabilities for the drawn bank overdraft facilities of other group companies of £15.0 million (2014: £nil).

12. Related party disclosures

During the year the Company entered into the following transactions with Whitefleet Limited, a company owned 50% by Babcock International Group PLC.

	2015	2014
	£000	£000
Balance outstanding due from Whitefleet Limited, as at 31 March	-	200

13. Ultimate parent undertaking

The Company is a subsidiary undertaking of Babcock Land Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent undertaking and controlling party of the Company is Babcock International Group PLC, a company incorporated in Great Britain and registered in England and Wales.

The only group in which the results of the Company are reported is that headed by Babcock International Group PLC. The consolidated financial statements are available to the public at that company's registered office of 33 Wigmore Street, London W1U 1QX