

Marshall Leasing Limited
Report and Financial Statements
31 December 2012

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Marshall Leasing Limited
Financial Statements
Year Ended 31 December 2012

CONTENTS	Page
Officers and professional advisers	1
The directors' report	2
Statement of directors' responsibilities	6
Independent auditor's report to the shareholders	7
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11

Marshall Leasing Limited
Officers and Professional Advisers

The Board of Directors

Sir Michael Marshall CBE DL - Chairman
R D Marshall
W C M Dastur
P G Cakebread
J A Ross
F Laud
P N Targett
D Gupta

Company secretary

S J Moynihan

Registered office

Airport House
The Airport
Newmarket Road
Cambridge
CB5 8RY

Auditor

Ernst & Young LLP
Cambridge
One Cambridge Business Park
Cambridge
CB4 0WZ

Bankers

Barclays Bank PLC
15 Bene't Street
Cambridge
CB2 3PZ

Solicitors

Greenwoods Solicitors LLP
Monkstone House
City Road
Peterborough
PE1 1JE

Marshall Leasing Limited

The Directors' Report

Year Ended 31 December 2012

The directors present their report and the financial statements of the company for the year ended 31 December 2012

Principal activities and review of the business

The company's principal activity continued to be that of car and commercial vehicle leasing, vehicle contract hire and fleet management

The business achieved another year of record profits. With an operational imperative to offer full service solutions with excellent customer service the business opened a number of new accounts with key clients. With customer retention also high on the agenda the business achieved an organic fleet growth of 11% in the year ending with a funded fleet in excess of 5 000 units for the first time. The business operates under a careful approach to the management of residual, maintenance and interest rate risks. As a result of this approach the business continues to benefit from the low interest rates prevailing in the market.

The Company's key performance indicators during the year were as follows:

	2012	2011
Funded fleet size	5,212	4,752
Gross profit against turnover	22.0%	21.5%
Profit before tax per unit	581	537

Future developments

The Company is part of the Marshall of Cambridge (Motor Holdings) Limited Group. The Group's strategic vision is to be regarded as the UK's premier automotive retail and leasing group. The Company will continue to contribute to this goal through the performance optimisation of the business by outstanding customer satisfaction, by demonstrating retailing excellence, by building strong relationships with key suppliers and by being a great place to work.

Results and dividends

The profit for the year, after taxation, amounted to £2,373,697 (2011 - £1,922,968 profit). A dividend of £1,000,000 was paid during the year (2011 - £500,000). Particulars of dividends paid are detailed in note 8 to the financial statements.

Risk assessment

The factors described below highlight risks and uncertainties which affect the Company but are not intended to be an exhaustive analysis of all the potential risks which may arise in the ordinary course of business or otherwise. Some risks may be unknown to the Company and other risks, currently regarded as immaterial, could turn out to be material. The Board has established what it believes is an appropriate internal control environment designed to identify, manage and mitigate these risks.

Competitive risks

The Company operates in a competitive environment, competing with many larger competitors, including banks and manufacturers. The Company continues to see the focus on excellence in customer service as the key to a competitive advantage.

Legislative risks

The Government continues to introduce measures aimed at encouraging reductions in emissions for vehicle fleets. However, changes in policy can affect the frequency of car changes by customers, the residual values of the vehicles and the value of the contracts, all of which could reduce demand and the Company's profitability. The Company will continue to assess legislative changes and to ensure that clients are advised of their impact.

The Directors' Report (Continued)

Year Ended 31 December 2012

Reliance on the use of significant estimates of residual values

The Company enters into contract hire agreements for vehicles whereby it estimates the residual value of the asset at the end of the agreement. Agreements vary in length generally between two and four years with depreciation being applied on a straight line basis over the term of the agreement. When the agreements terminate the vehicles are sold with profits or losses being recognised against the book value at the point of disposal. The Company operates a robust independent analysis tool to monitor this area and will manage any exposure should the trend analysis predict it.

Financial risks

The continued economic environment and the impact this is having on consumer confidence, and hence on the strength of the used car marketplace remains a concern due to its impact on demand for the Company's products and on its recoverable costs. However the Company has performed well over the last 3 year in this environment and the Directors remain confident that the Company will continue to trade profitably in the future. The Company continues to borrow predominantly on a variable rate basis. With interest rates at an historic low, this has proved beneficial, but creates an exposure to rising rates in the future. Continuous monitoring of this situation is undertaken, and our arrangements allow us to switch to fixed rate borrowings if this is preferable. We have held discussions with our lenders which indicate that adequate credit facilities will be available for the business growth planned over 2013. Bad debt remained at low levels through 2012 and is tightly managed.

Directors

The directors who served the company during the year were as follows:

Sir Michael Marshall, CBE DL

R D Marshall

W C M Dastur

P G Cakebread

J A Ross

F Laud

P N Targett

D Gupta

In accordance with the Articles of Association, P. Cakebread, J A. Ross and F. Laud retire by rotation and, being eligible, offer themselves for re-election.

The parent company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Marshall Leasing Limited

The Directors' Report *(Continued)*

Year Ended 31 December 2012

Going concern

The Company's business activities together with the factors and risks likely to affect its future development and position are set out on pages 2 and 3

The Company participates in the group's treasury arrangements coordinated by the Company's ultimate parent Marshall of Cambridge (Holdings) Limited. Under this arrangement it has access to and shares banking arrangements and facilities with its parent and fellow subsidiaries. The directors having considered the Company's forecast cash flows for the foreseeable future and having assessed the responses of the directors of the Company's ultimate parent Marshall of Cambridge (Holdings) Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Marshall of Cambridge (Holdings) Limited Group to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Marshall of Cambridge (Holdings) Limited the Company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future.

The Company's balance sheet at 31 December 2012 shows a net current liability position. However the assets to which many of these liabilities relate to are disclosed in fixed assets due to the nature of accounting for leases. These assets will therefore be sold during the year to meet the liabilities as they fall due.

Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Discussions with lenders indicate that adequate credit facilities outside the group facilities will be available to the Company to allow it to grow as planned.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Employee involvement

During the year the policy of providing employees with information about the Company has been continued through the newsletter 'Teamwork', team briefings and through our global email network. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Disclosure of information to auditors

In so far as each of the persons who were directors at the date of approving these financial statements is aware:

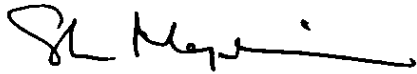
- there is no relevant audit information of which the company's auditor is unaware and
- each director has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that.

Marshall Leasing Limited
The Directors' Report *(Continued)*
Year Ended 31 December 2012

Auditor

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

This report was approved by the board on 23 April 2013 and signed on its behalf

A handwritten signature in black ink, appearing to read 'S J Moynihan', with a long horizontal stroke extending to the right.

S J Moynihan
Company Secretary

Marshall Leasing Limited
Statement of Directors' Responsibilities
Year Ended 31 December 2012

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 elected to prepare 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 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 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.

Independent Auditor's Report to the Shareholders of Marshall Leasing Limited

Year Ended 31 December 2012

We have audited the financial statements of Marshall Leasing Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. 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).

This report is made solely to the company's shareholders as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders 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 shareholders as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 (APB's) Ethical Standards for Auditors.

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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual Report and Financial Statements to identify material inconsistencies with the audited financial statements. 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 December 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

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


**Independent Auditor's Report to the Shareholders of
Marshall Leasing Limited (Continued)**

Year Ended 31 December 2012

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



Bob Forsyth (Senior Statutory Auditor)
For and on behalf of
Ernst & Young LLP
Cambridge

23 April 2013

Marshall Leasing Limited
Profit and Loss Account
Year Ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	30 698 045	28 723 267
Cost of sales		(23 957,588)	(22,542 983)
Gross profit		<u>6 740 457</u>	<u>6,180,284</u>
Administrative expenses		(2 548 229)	(2,744 184)
Operating profit	3	<u>4 192 228</u>	<u>3,436,100</u>
Interest payable and similar charges	6	(1 166,213)	(886,462)
Profit on ordinary activities before taxation		<u>3 026 015</u>	<u>2,549 638</u>
Tax on profit on ordinary activities	7	(652,318)	(626,670)
Profit for the financial year		<u><u>2 373 697</u></u>	<u><u>1,922,968</u></u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 11 to 20 form part of these financial statements

Marshall Leasing Limited

Balance Sheet

31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	9	53 379 985	49 565,753
Current assets			
Debtors	10	8 880 274	10,208,132
Cash in hand		450	450
		<u>8 880 724</u>	<u>10 208,582</u>
Creditors Amounts falling due within one year	11	<u>(24 945 869)</u>	<u>(21,876,962)</u>
Net current liabilities		<u>(16 065 145)</u>	<u>(11 668,380)</u>
Total assets less current liabilities		<u>37,314,840</u>	<u>37,897,373</u>
Creditors Amounts falling due after more than one year	12	(26,582 778)	(28 837 703)
Provisions for liabilities			
Deferred taxation	15	(1,194 374)	(895 679)
Net assets		<u>9 537 688</u>	<u>8,163,991</u>
Capital and reserves			
Called-up equity share capital	18	70 000	70,000
Profit and loss account	19	9 467 688	8,093,991
Shareholders' funds	20	<u>9,537,688</u>	<u>8,163,991</u>

These financial statements were approved by the board on 23 April 2013 and signed on its behalf

P G Cakebread



F Laud



Directors

Company Registration Number 156897

The notes on pages 11 to 20 form part of these financial statements

Marshall Leasing Limited
Notes to the Financial Statements
Year Ended 31 December 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and comply with United Kingdom accounting standards

In accordance with section 400 of the Companies Act 2006 no consolidated financial statements have been prepared. This is because the Company is a wholly owned subsidiary of Marshall of Cambridge (Holdings) Limited, the ultimate parent undertaking, which is registered in England and Wales, for which group financial statements are prepared. These financial statements therefore present information about the Company and not its Group.

Cash flow statement

In accordance with FRS1 no cash flow statement is included in these financial statements as the company is a wholly owned subsidiary. A consolidated cash flow statement is prepared by the ultimate parent company.

Turnover

Turnover comprises monthly rentals and other charges during the life of an agreement, including those to other group companies. Turnover also includes the sale of vehicles previously held as fixed assets under the heading "Vehicles held for leasing". All turnover excludes value added tax and is derived wholly from the United Kingdom market.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Leasehold land & buildings	- Over the lease term
Plant and machinery	- 2-5 years
Vehicles held for leasing	- Over the lease term

Vehicles acquired, whether by purchase or finance lease, for the purpose of letting under lease contracts are depreciated evenly over the period of the lease contract to reduce the original cost to the estimated residual value at the end of the lease.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing and hire purchase commitments

Assets leased out under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the lessee, and hire purchase contracts, are both shown as debtors in the balance sheet at the amount of the net investment in the lease. The interest elements of the rental obligations are credited to the profit and loss account over the period of the lease and are apportioned on the basis of the rule of 78.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Rental income from operating leases is recognised on a straight line basis over the period of the lease.

Marshall Leasing Limited
Notes to the Financial Statements
Year Ended 31 December 2012

1 Accounting policies (Continued)

Contribution to pension funds

The Marshall of Cambridge (Holdings) Limited Group operates a number of different pension funds, including both defined contribution and defined benefit schemes for the employees of the Group. The assets of all the schemes are held in separately administered trust funds. For the defined contribution schemes, contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

For the defined benefit scheme it is not possible for the group to apportion the underlying assets and liabilities of the scheme to the individual companies on a consistent and reasonable basis. The Company is therefore accounting for the contributions to the scheme as if it were a defined contribution scheme.

Deferred 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 in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred at the balance sheet date with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 Turnover

Turnover is all attributable to the principal activity of the company, which is car and commercial vehicle leasing, vehicle contract hire and fleet management. All turnover arises from continuing activities within the United Kingdom.

3 Operating profit

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of owned fixed assets	15,626,153	13,885,913
Operating lease costs		
- land and buildings	46,060	70,358
Finance lease rental income - motor vehicles	(249,826)	(274,780)
Operating lease rental income - motor vehicles	(19,709,192)	(17,638,072)
Auditor's remuneration - audit of the financial statements	24,400	23,000
Auditor's remuneration - taxation services	10,000	9,550
	<u> </u>	<u> </u>

Marshall Leasing Limited
Notes to the Financial Statements
Year Ended 31 December 2012

4 Staff costs

The average monthly number of employees of the company during the year was made up as follows

	2012	2011
	No	No
Administration	15	17
Sales and customer service	18	18
	<u>33</u>	<u>35</u>

Staff costs

	2012	2011
	£	£
Wages and salaries	1 082,883	1 219,932
Social security costs	115,721	108 913
Other pension costs	35 508	34,657
	<u>1,234,112</u>	<u>1,363,502</u>

5 Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Remuneration receivable	573 418	604,033
Value of company pension contributions to money purchase schemes	60,742	70,275
	<u>634 160</u>	<u>674,308</u>

Remuneration of highest paid director

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	278,121	<u>293,315</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012	2011
	No	No
Money purchase schemes	2	2
Defined benefit schemes	1	<u>1</u>

Five of the directors of the company are also directors of the ultimate holding company and fellow subsidiaries. A management charge of £1 101 141 (2011 - £972 996) in respect of administration costs has been paid by Marshall of Cambridge (Motor Holdings) Limited to Marshall of Cambridge (Holdings) Limited the ultimate parent company which includes the directors' emoluments which are not possible to identify separately.

Marshall Leasing Limited
Notes to the Financial Statements
Year Ended 31 December 2012

6 Interest payable

	2012	2011
	£	£
Bank loans and overdrafts	1 166 213	<u>886 462</u>

7 Taxation

(A) Analysis of charge in the year

	2012	2011
	£	£
Current tax		
In respect of the year		
UK corporation tax based on the income for the year at 24.50% (2011 - 26.50%)	334,242	(60,320)
Under provision in prior year	19,381	33,944
Total current tax	<u>353,623</u>	<u>(26,376)</u>
Deferred tax		
Origination and reversal of timing differences	316,366	653,046
Effect of changed tax rate on opening balance	<u>(17,671)</u>	<u>-</u>
Total deferred tax (note 15)	<u>298,695</u>	<u>653 046</u>
Tax on profit on ordinary activities	<u><u>652,318</u></u>	<u><u>626,670</u></u>

(B) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2011 – lower) than the standard rate of corporation tax in the UK of 24.50% (2011 - 26.50%)

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>3 026,015</u>	<u>2,549,638</u>
Profit on ordinary activities by rate of tax	741,291	675,654
Expenses not deductible for tax purposes	4,016	10,554
Capital allowances for period in excess of depreciation	(404,909)	(757,191)
Adjustments to tax charge in respect of previous periods	19,381	33,944
Difference in tax rates on losses carried back	-	(3,231)
Short term timing differences	<u>(6,156)</u>	<u>13 894</u>
Total current tax (note 7(A))	<u><u>353,623</u></u>	<u><u>(26,376)</u></u>

Marshall Leasing Limited
Notes to the Financial Statements
Year Ended 31 December 2012

7 Taxation (Continued)

(C) Factors affecting future tax charge

In his Budget of 20 March 2013, the Chancellor of the Exchequer announced tax rate changes which, if enacted in the proposed manner, will have an effect on the Company's future tax position. As at 31 December 2012, the tax rate changes announced in the Budget had not yet been 'substantively enacted' and as such, in accordance with accounting standards, the changes have not been reflected in the Company's financial statements as at 31 December 2012.

The Finance Act 2012 reduced the main rate of UK corporation tax to 24% from 1 April 2012 and to 23% from 1 April 2013. Additional changes to the main rate of UK corporation tax announced by the Government will reduce the main rate to 21% from 1 April 2014 and to 20% from 1 April 2015. Deferred tax assets and liabilities at 31 December 2012 have been calculated at 23% and the reduction in the deferred tax asset/liability has been included within the tax charge for the year. Further UK tax changes, subject to enactment, are a reduction from 1 April 2013 in the rate of capital allowances applicable to plant and machinery and to integral features from 20% to 18% and 10% to 8% respectively. The rate change and the capital allowance changes will also impact the future cash tax payment to be made by the Company.

8 Dividends

Equity dividends

	2012 £	2011 £
Paid during the year		
Dividends on equity shares	1,000,000	500,000

9 Tangible fixed assets

	Long leasehold land and buildings £	Plant and machinery £	Vehicles held for leasing £	Total £
Cost				
At 1 January 2012	42,324	201,466	75,504,685	75,748,475
Additions	–	1,879	25,022,450	25,024,329
Disposals	–	–	(17,126,052)	(17,126,052)
At 31 December 2012	42,324	203,345	83,401,083	83,646,752
Depreciation				
At 1 January 2012	26,999	182,312	25,973,411	26,182,722
Charge for the year	3,594	8,094	15,614,465	15,626,153
On disposals	–	–	(11,542,108)	(11,542,108)
At 31 December 2012	30,593	190,406	30,045,768	30,266,767
Net book value				
At 31 December 2012	11,731	12,939	53,355,315	53,379,985
At 31 December 2011	15,325	19,154	49,531,274	49,565,753

Marshall Leasing Limited

Notes to the Financial Statements

Year Ended 31 December 2012

9 Tangible fixed assets *(Continued)*

The company received income from operating leases from the assets held in 'vehicles held for leasing' above of £19 709 192 (2011 - £17 638 072)

In addition to the above assets the Company has purchased assets with an original cost of £362 713 (2011 - £459 614) for the purposes of letting under finance leases

During the year the Company received gross rentals of £249 826 (2011 - £274 780) in respect of finance leases and hire purchase contracts

10 Debtors

	2012 £	2011 £
Trade debtors	572,753	428,607
Amounts owed by group undertakings	6,372,839	8,022 132
Corporation tax receivable	—	60,320
Finance lease and hire purchase receivables	1 000,839	854,121
Other debtors	806 187	737 420
Prepayments and accrued income	127,656	105 532
	<u>8,880,274</u>	<u>10,208 132</u>

11 Creditors Amounts falling due within one year

	2012 £	2011 £
Bank loans and overdrafts	21 150,289	18,413,345
Trade creditors	738,054	341,717
Amounts owed to group undertakings	1 378,239	1,665,740
Corporation tax payable	17,010	—
Other taxation and social security	545,427	260,415
Other creditors	356,716	306,458
Accruals and deferred income	760,134	889,287
	<u>24,945,869</u>	<u>21 876,962</u>

12 Creditors Amounts falling due after more than one year

	2012 £	2011 £
Bank loans	20,973,251	23 837,650
Accruals and deferred income	5 609,527	5,000 053
	<u>26 582 778</u>	<u>28,837,703</u>

Marshall Leasing Limited
Notes to the Financial Statements
Year Ended 31 December 2012

13 Loans

	2012 £	2011 £
Loans amounts due within one year	(21 129 381)	(18 410 005)
Loans amounts due after more than one year	(20 973 251)	(23,837,650)
	<u>(42,102,632)</u>	<u>(42 247,655)</u>
Analysis of maturity of debt		
In one year or less or on demand	21 129 381	18,410 005
Between one and two years	14 281 149	15,671 199
Between two and five years	6 692 102	8 166 451
	<u>42 102,632</u>	<u>42 247,655</u>

Bank loans are secured by means of a fixed charge over specific vehicles held for leasing

14 Pensions

The Company participates in two of the pension schemes which are operated by Marshall of Cambridge (Holdings) Limited (the "Group") for the benefit of its employees one of which has elements of both defined benefit and defined contribution, while the other is entirely defined contribution. All of the schemes are funded by the payment of contributions to trustee administered funds which are kept entirely separate from the assets of the Group.

The contribution schemes, which cover 99% of Group scheme members, were established in 1982 and 1988. The total pension cost for the year for the Company in respect of defined contribution schemes was £35 508 (2011 - £34 657).

The scheme which has elements of both defined benefit and defined contribution is known as the Marshall Group Executive Pension Plan (the "Plan"). The level of defined benefit pension contribution is determined with the advice of independent qualified actuaries. It is not possible to apportion the underlying assets and liabilities of the scheme to the individual companies on a consistent and reasonable basis. The Company is therefore accounting for the contributions to the scheme as if it were a contribution scheme. The total pension cost for the Company in respect of this scheme was £60,742 (2011 - £70,275). As disclosed in the Group financial statements there is a deficit on the scheme of £8 154,000 (2011 - £8,515,000) as calculated in accordance with FRS17. Further disclosures can also be found in the Group financial statements.

The total unpaid pension contributions outstanding at the year end were £1 420 (2011 - £5,834).

15. Deferred taxation

The movement in the deferred taxation provision during the year was

	2012 £	2011 £
Provision brought forward	895 679	242,633
Profit and loss account movement arising during the year	298 695	653 046
Provision carried forward	<u>1 194,374</u>	<u>895,679</u>

Marshall Leasing Limited
Notes to the Financial Statements
Year Ended 31 December 2012

15 Deferred taxation (Continued)

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2012	2011
	£	£
Excess of taxation allowances over depreciation on fixed assets	1,293 488	1,009,694
Other timing differences	(99 114)	(114 015)
	<u>1 194 374</u>	<u>895 679</u>

16 Commitments under operating leases

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 2 to 5 years	39 000	39,000

Marshall Leasing Limited

Notes to the Financial Statements

Year Ended 31 December 2012

17 Related party transactions

Included within creditors are the following amounts due to group undertakings of Marshall of Cambridge (Holdings) Limited

	2012 £	2011 £
Marshall of Stevenage Limited	-	(152,031)
Marshall of Ipswich Limited	-	(932)
Marshall of Peterborough Limited	-	(15,046)

The Company has taken advantage of the exemption in FRS8 from disclosing transactions with related parties that are 100% owned by the Marshall of Cambridge (Holdings) Limited group or investees of the group

During the year Marshall Motor Group Limited made the following transactions with Marshall Leasing Limited's directors

	Number of cars sold	Total value of cars sold £	Number of cars purchased	Total value of cars purchased £
P G Cakebread	3	134,499	3	132,630
J A Ross	3	140,984	3	150,183

Marshall Motor Group Limited provided directors with loans with a beneficial interest rate of 4% per annum as follows

	Maximum amount outstanding during the year £	Number of loans made in the year	Number of loans outstanding at one point in year	Balance outstanding at the year end £
P G Cakebread	60,424	2	1	-
J A Ross	54,324	2	1	-

Transactions with directors who are also directors of the Marshall of Cambridge (Motor Holdings) Limited are disclosed in that Company's financial statements

18. Share capital

Authorised share capital.

	2012 £	2011 £
70,000 ordinary shares of £1 each	70,000	70,000

Allotted, called up and fully paid

	2012 No	£	2011 No	£
70,000 ordinary shares of £1 each	70,000	70,000	70,000	70,000

Marshall Leasing Limited
Notes to the Financial Statements
Year Ended 31 December 2012

19 Profit and loss account

	2012 £	2011 £
Balance brought forward	8 093 991	6 671,023
Profit for the financial year	2 373 697	1,922,968
Equity dividends	(1 000 000)	(500 000)
Balance carried forward	<u>9,467,688</u>	<u>8,093 991</u>

20. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	2,373,697	1,922,968
Equity dividends paid	(1 000 000)	(500 000)
Net addition to shareholders' funds	<u>1 373 697</u>	<u>1,422,968</u>
Opening shareholders' funds	8,163,991	6,741,023
Closing shareholders' funds	<u>9,537,688</u>	<u>8,163,991</u>

21. Ultimate parent company

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Marshall of Cambridge (Holdings) Limited and is therefore considered to be the ultimate parent company. The parent company of the smallest such group is Marshall of Cambridge (Motor Holdings) Limited and this is also the immediate parent undertaking.

Copies of the group financial statements can be obtained from Marshall of Cambridge (Holdings) Limited, Airport House The Airport, Cambridge CB5 8RY