

ASSETFINANCE MARCH (D) LIMITED

Registered No 1524344

Financial Statements for the year ended 31 March 2015

MONDAY



L4AK76PE

LD9

29/06/2015

#159

COMPANIES HOUSE

HSBC 

ASSETFINANCE MARCH (D) LIMITED

Financial Statements for the year ended 31 March 2015

Contents

Strategic Report	2
Directors' Report	3
Independent Auditor's Report to the Members of Assetfinance March (D) Limited	5
Income statement	6
Statement of comprehensive income	6
Statement of financial position	7
Statement of cash flows	8
Statement of changes in equity	9
Notes on the financial statements	10

ASSETFINANCE MARCH (D) LIMITED

Strategic Report for the year ended 31 March 2015

Review of the Company's business

The Company's principal activity is to lease assets to third party lessees for an agreed term under finance lease and operating lease arrangements. No change in the Company's activities is anticipated.

During the year the Company wrote new business and continued to manage the leasing transactions written in previous years. On 31 March 2014 the trades of Assetfinance March (C) Limited and Assetfinance City Investments Limited, both fellow group undertakings, were transferred to the Company. All of the leases were reassigned and the total consideration paid was £1,511,107, being the carrying value of the net assets. The fair value was not considered to be significantly different to the carrying value at that time.

Where relevant, other group undertakings, HSBC Asset Finance (UK) Limited and HSBC Equipment Finance (UK) Limited, can provide agency services to the Company. An appropriate management fee is charged accordingly. The services provided can include seeking new business, negotiating and agreeing terms and arranging the execution of all lease documents on behalf of the Company, as well as maintaining accurate accounting and other records such as borrowing funds and settlement of all invoices relating to the services.

The business is funded principally by a parent undertaking through borrowing. The Company has no employees. Services required are provided by fellow HSBC Group companies. The Company's principal stakeholder is its parent Company.

Financial Performance

The Company's results for the year under review are as detailed in the income statement shown in these accounts.

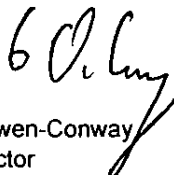
UK corporation tax rates are being reduced and details of the changes are set out in notes 5 and 9 to the financial statements.

The key performance indicator used by management in assessing the performance of the Company is the monitoring of actual cash flows in comparison with the planned cash flows determined at the inception of the lease transactions. Its performance is also measured by reference to its net income as a percentage of the net investment in finance and operating leases less related tax balances (deferred and current tax). Monthly management accounts are prepared and reviewed by the management of the HSBC Business in which this Company resides.

Risk management

The financial risk management objectives and policies of the Company, together with an analysis of the exposure to such risks are set out in note 13 of the financial statements.

Signed on behalf of the Board



G Owen-Conway
Director

Dated 19 June 2015

Registered Office
8 Canada Square
London
E14 5HQ

ASSETFINANCE MARCH (D) LIMITED

Directors' Report for the year ended 31 March 2015

Directors

The Directors who served during the year were as follows

Name	Resigned
M J Russell-Brown	
G P Hewitt	23 January 2015
G Owen-Conway	
R F Carver	13 October 2014

M J Russell-Brown resigned as a Director of the Company on 2 June 2015. On 19 June 2015 B Bulford and R Lelong were appointed as Directors of the Company.

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors. All Directors have the benefit of directors' and officers' liability insurance.

Dividends

There were no dividends paid on the ordinary share capital during the year (2014: £55,207).

Significant events since the end of the financial year

A dividend of £257,388 was paid on 31 May 2015.

On 31 May 2015, the ownership of share capital of £2 was transferred from Assetfinance Limited to a fellow group undertaking HSBC Equipment Finance (UK) Limited at par.

There are no other important events affecting the Company that have occurred since the end of the financial year.

Going concern basis

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions.

Disclosure of information to the Auditor

Each person who is a Director at the date of approval of this report confirms that so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware and the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to section 418 of the UK Companies Act 2006 and should be interpreted in accordance therewith.

Auditor

Pursuant to Section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and therefore KPMG Audit Plc will continue in office for the financial period 1 April 2014 to 31 March 2015.

Following a tender process for the audit of HSBC Holdings plc and its subsidiaries that took place in 2013, it was recommended that PricewaterhouseCoopers LLP be appointed as auditors for the HSBC Group entities. As a result KPMG Audit Plc will not be seeking reappointment as the Company's auditor for the financial year commencing 1 April 2015 and PricewaterhouseCoopers LLP will seek appointment instead.

ASSETFINANCE MARCH (D) LIMITED

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

Statement of Directors' responsibilities

The following statement, which should be read in conjunction with the Auditor's statement of their responsibilities set out in their report on the next page, is made with a view to distinguish the respective responsibilities of the Directors and of the Auditor in relation to the financial statements

The Directors are responsible for preparing, in accordance with applicable law and regulations, a Strategic Report, a Directors' Report and the financial statements for each financial year

The Directors are required to prepare the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union ('EU') and have elected to prepare the Company's financial statements on the same basis

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 judgments and estimates that are reasonable and prudent, and
- state whether they have been prepared in accordance with IFRSs as adopted by the EU

The Directors are required to prepare the financial statements on the going concern basis unless it is not appropriate. Since the Directors are satisfied that the Group has the resources to continue in business for the foreseeable future, the financial statements continue to be prepared on a going concern basis

The Directors have responsibility for ensuring that sufficient accounting records are kept that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

By order of the Board


L. Wilson
Secretary

Dated 19 June 2015

Registered Office
8 Canada Square
London
E14 5HQ

ASSETFINANCE MARCH (D) LIMITED

Independent Auditor's Report to the Members of Assetfinance March (D) Limited

We have audited the financial statements of Assetfinance March (D) Limited for the year ended 31 March 2015 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the Company's members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Simon Clark (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
One Snowhill,
Snow Hill Queensway,
Birmingham
B4 6GH

Date 19 June 2015

ASSETFINANCE MARCH (D) LIMITED

Financial Statements

Income statement for the year ended 31 March 2015

	Notes	2015 £	2014 £
Revenue			
Finance lease income		131,784	23,395
Operating lease income		977,997	974,896
		1,109,781	998,291
Cost of sales		(789,213)	(776,841)
		320,568	221,450
Finance costs			
Interest expense	3	(81,781)	(67,548)
		238,787	153,902
Impairment credit/(charge)		2,000	(390)
Administrative expenses	4	(36,667)	(15,533)
		204,120	137,979
Profit before tax		204,120	137,979
Tax expense		(30,723)	(53,988)
Profit for the year		173,397	83,991

There were no acquisitions, discontinued or discontinuing operations during the year

The accounting policies and notes on pages 10 to 18 form an integral part of these financial statements

Statement of comprehensive income for the year ended 31 March 2015

There has been no comprehensive income or expense other than the profit for the year as shown above (2014 £Nil)

ASSETFINANCE MARCH (D) LIMITED
Financial Statements (continued)

Statement of financial position as at 31 March 2015

	<i>Notes</i>	2015 £	2014 £
ASSETS			
Non-current assets			
Property, plant and equipment	6	10,651,752	5,466,406
		<u>10,651,752</u>	<u>5,466,406</u>
Current assets			
Finance lease receivables	7	6,325	870,390
Receivables	8	1,339,230	15,527
Current tax assets		199,334	-
		<u>1,544,889</u>	<u>885,917</u>
Total assets		<u>12,196,641</u>	<u>6,352,323</u>
LIABILITIES AND EQUITY			
Current liabilities			
Other liabilities	10	11,375,394	5,968,756
Accruals and deferred income		321,006	74,766
Current tax liabilities		-	212,014
		<u>11,696,400</u>	<u>6,255,536</u>
Non-current liabilities			
Deferred tax liabilities	9	242,851	12,794
Total liabilities		<u>11,939,251</u>	<u>6,268,330</u>
Equity			
Called up share capital	11	2	2
Retained earnings		257,388	83,991
Total shareholders' equity		<u>257,390</u>	<u>83,993</u>
Total equity and liabilities		<u>12,196,641</u>	<u>6,352,323</u>

The accounting policies and notes on pages 10 to 18 form an integral part of these financial statements

These financial statements were approved by the Board of Directors on 19 June 2015 and were signed on its behalf by



G Owen-Conway
Director

Company Registration No 1524344

ASSETFINANCE MARCH (D) LIMITED**Financial Statements (continued)****Statement of cash flows for the year ended 31 March 2015**

	2015 £	2014 £
Cash flows from operating activities		
Profit before tax	204,120	137,979
Adjustments for		
– Depreciation charge	773,169	776,841
– Loss on disposal of property, plant and equipment	16,044	-
– Provisions (released) / raised	(2,000)	390
– Change in operating assets	1,119,937	(597,403)
– Change in operating liabilities	(1,579,759)	518,081
– Tax paid	(212,014)	(157,953)
Net cash generated from operating activities	<u>319,497</u>	<u>677,935</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,262,314)	-
Acquisition of net assets from fellow group undertakings	-	(1,511,107)
Proceeds from sale of property, plant and equipment	1,287,755	-
Net cash used in investing activities	<u>(5,974,559)</u>	<u>(1,511,107)</u>
Cash flows from financing activities		
Received from parent undertakings in respect of other financing activities	5,655,062	888,379
Dividends paid	-	(55,207)
Net cash from financing activities	<u>5,655,062</u>	<u>833,172</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents brought forward	-	-
Cash and cash equivalents carried forward	<u>-</u>	<u>-</u>

The accounting policies and notes on pages 10 to 18 form an integral part of these financial statements

ASSETFINANCE MARCH (D) LIMITED**Financial Statements (continued)****Statement of changes in equity for the year ended 31 March 2015**

	Called up share capital	Retained earnings	Total shareholders' equity
	£	£	£
2015			
At 1 April 2014	2	83,991	83,993
Profit for the year	-	173,397	173,397
Total comprehensive income for the year	-	173,397	173,397
At 31 March 2015	2	257,388	257,390

	Called up share capital	Retained earnings	Total shareholders' equity
	£	£	£
2014			
At 1 April 2013	2	55,207	55,209
Profit for the year	-	83,991	83,991
Total comprehensive income for the year	-	83,991	83,991
Dividends to shareholders	-	(55,207)	(55,207)
At 31 March 2014	2	83,991	83,993

The accounting policies and notes on pages 10 to 18 form an integral part of these financial statements

Shareholders' equity is wholly attributable to equity shareholders

ASSETFINANCE MARCH (D) LIMITED

Notes on the Financial Statements

1 Basis of preparation

(a) Compliance with International Financial Reporting Standards

The financial statements are presented in sterling and have been prepared on the historical cost basis

International Financial Reporting Standards ('IFRSs') comprise accounting standards issued or adopted by the International Accounting Standards Board ('IASB') as well as interpretations issued or adopted by the IFRS Interpretations Committee ('IFRS IC')

The financial statements of the Company have been prepared in accordance with IFRSs as issued by the IASB and as endorsed by the EU. EU-endorsed IFRSs could differ from IFRSs as issued by the IASB if, at any point in time, new or amended IFRSs were not to be endorsed by the EU.

At 31 March 2015, there were no unendorsed standards effective for the year ended 31 March 2015 affecting these financial statements and there was no difference between IFRSs endorsed by the EU and IFRSs issued by the IASB in terms of their application to the Company. Accordingly, the Company's financial statements for the year ended 31 March 2015 are prepared in accordance with IFRSs as issued by the IASB.

There were no new standards adopted during the year ended 31 March 2015.

(b) Future accounting developments

At 31 March 2015, a number of standards and amendments to standards had been issued by the IASB, which are not effective for the Company's financial statements as at 31 March 2015. None of these are expected to have a significant effect on the results or the net assets of the Company when adopted.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except where stated otherwise.

(c) General information

Assetfinance March (D) Limited is a company domiciled and incorporated in England and Wales.

2 Summary of significant accounting policies

(a) Finance and operating leases

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of the assets, but not necessarily legal title, are classified as finance leases. They are recorded at an amount equal to the net investment in the lease less any impairment provisions, within finance lease receivables.

The net investment in finance leases represents the sum of the minimum payments receivable (gross investment in the lease) discounted at the rate of interest implicit in the lease. The difference between the gross investment in the lease and the net investment in the lease is recorded as unearned finance income.

Income from finance leases is recognised over the periods of the leases so as to give a constant rate of return on the net investment in the leases.

Initial direct costs incurred in arranging the lease, less any fee income related to the lease, are included in the initial measurement of the net investment.

The fair value of fixed rate finance lease receivables is calculated by discounting future minimum lease receivables, using equivalent current interest rates.

Income from operating leases is recognised on a straight-line basis over the lease term.

ASSETFINANCE MARCH (D) LIMITED

Notes on the Financial Statements (continued)

(b) Interest expense

Interest expense for all financial instruments is recognised in 'Interest expense' in the income statement using the effective interest method. The effective interest method is a way of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument. The calculation includes all amounts paid by the Company that are an integral part of the effective interest rate of a financial instrument, including transaction costs and all other premiums or discounts.

(c) Income tax

Income tax comprises current and deferred tax and is recognised in the income statement.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the end of the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Company intends to settle on a net basis and the legal right to offset exists.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, by the end of the reporting period.

(d) Property, plant and equipment

Operating lease assets are depreciated over the period of the relevant hirer's rental contract to an estimated residual value on a straight-line basis. This depreciation charge is included within cost of sales in the income statement.

Property, plant and equipment is subject to an impairment review if there are events or changes in circumstances which indicate that the carrying amount may not be recoverable.

(e) Financial assets and liabilities

(i) Loans and receivables

Loans and receivables include loans and receivables originated by the Company which are not classified either as held for trading or designated at fair value. Loans and receivables are recognised when cash is advanced to a borrower. They are derecognised when either the borrower repays its obligations, or the loans are sold or written off, or substantially all the risks and rewards of ownership are transferred. They are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less impairment losses.

(ii) Financial liabilities

Financial liabilities are initially measured at fair value less any transaction costs that are directly attributable to the purchase or issue. Financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument. The Company derecognises the financial liability when the Company's obligations specified in the contract expire, are discharged or cancelled. Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest rate method.

A group undertaking acts as a treasury function, providing funding for the Company through an inter-company current account.

ASSETFINANCE MARCH (D) LIMITED

Notes on the Financial Statements (continued)

(f) Impairment of financial assets

Losses for impaired loans are recognised promptly when there is objective evidence that impairment of a loan or portfolio of loans has occurred. Impairment allowances are calculated on individual loans and on groups of loans assessed collectively. Impairment losses are recorded as charges to the income statement. The carrying amount of impaired loans on the statement of financial position is reduced through the use of impairment allowance accounts. Losses expected from future events are not recognised.

Individually assessed impairment losses are calculated by discounting the expected future cash flows of a loan at its original effective interest rate, and comparing the resultant present value with the loan's current carrying amount.

Collectively assessed impairment losses are calculated on the basis of past experience, current economic conditions and other relevant factors to provide for losses not yet specifically identified.

Financial assets are written off to the extent that there is no realistic prospect of recovery.

(g) Statement of cash flows

The statement of cash flows has been prepared on the basis that, with the exception of tax related transactions which are classified under 'Operating activities', movements in inter-company transactions are shown under the heading of 'Financing activities'. Such movements arise ultimately from the Company's financing activities, through which the Company will acquire resources intended to generate future income and cash flows.

(h) Share capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax.

Dividends payable in relation to equity shares are recognised as a liability in the period in which they are declared.

(i) Determination of fair value

All financial instruments are recognised initially at fair value. In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received).

Fair values are calculated by discounting future cash flows on financial instruments, using equivalent current interest rates.

(j) Use of assumptions and estimates

When preparing the financial statements, it is the Directors' responsibility to select suitable accounting policies and to make judgements and estimates that are reasonable and prudent.

The accounting policies that are deemed critical to the Company's IFRS results and financial position, in terms of the materiality of the items to which the policy is applied or which involve a high degree of judgement and estimation, are:

Impairment of loans

The Company's accounting policy for losses in relation to the impairment of financial assets is described in Note 2(f). Impairment is calculated on the basis of discounted estimated future cash flows.

Impairment of property, plant and equipment

The Company's accounting policy for impairment of property, plant and equipment is described in Note 2(d). Impairment is calculated on the basis of current and expected future market conditions.

ASSETFINANCE MARCH (D) LIMITED
Notes on the Financial Statements (continued)

3 Finance costs

All interest expense was payable to a parent undertaking

4 Administrative expenses

Administrative expenses include £36,667 (2014 £15,533) in respect of group management charges payable to a parent undertaking

Certain expenses including auditor's remuneration have been borne by a fellow group undertaking and are therefore not charged in arriving at the profit before taxation (2014 £Nil) There were no non-audit fees incurred during the year (2014 £Nil)

The Company has no employees and hence no staff costs (2014 £Nil) The Directors made no charge for their services (2014 £Nil)

5 Tax expense

	Notes	2015 £	2014 £
Current taxation			
UK corporation tax charge - on current year profit		(199,334)	212,014
Total current tax		<u>(199,334)</u>	<u>212,014</u>
Deferred taxation			
Origination and reversal of temporary differences	9	<u>230,057</u>	<u>(158,026)</u>
Total deferred tax		<u>230,057</u>	<u>(158,026)</u>
Total tax charged to the income statement		<u>30,723</u>	<u>53,988</u>

The UK corporation tax rate applying to the Company was 21 per cent (2014 23 per cent)

The following table reconciles the tax expense which would apply if all profits had been taxed at the UK corporation tax rate

	2015 £	Percentage of overall profit before tax %	2014 £	Percentage of overall profit before tax %
Taxation at UK corporation tax rate of 21% (2014 23%)	42,865	21.0%	31,735	23.0%
Changes in tax rates	<u>(12,142)</u>	<u>(5.9)%</u>	<u>22,253</u>	<u>16.1%</u>
Total tax charged to the income statement	<u>30,723</u>	<u>15.1%</u>	<u>53,988</u>	<u>39.1%</u>

The main rate of corporation tax in the UK reduced from 23% to 21% on 1 April 2014 and was further reduced to 20% on 1 April 2015. The reduction in the corporation tax rate to 20% was enacted through the 2013 Finance Act on 17 July 2013.

ASSETFINANCE MARCH (D) LIMITED

Notes on the Financial Statements (continued)

6 Property, plant and equipment

Operating lease assets

	2015 £	2014 £
Cost		
At 1 April	7,604,552	6,449,191
Additions	7,262,314	-
Transfer from other group undertakings	-	1,155,361
Disposals	(1,626,690)	-
At 31 March	13,240,176	7,604,552
Depreciation		
At 1 April	2,138,146	849,306
Depreciation charge for the year	773,169	776,841
Transfer from other group undertakings	-	511,999
Disposals	(322,891)	-
At 31 March	2,588,424	2,138,146
Net carrying amount 1 April	5,466,406	5,599,885
Net carrying amount 31 March	10,651,752	5,466,406

	2015 £	2014 £
Future minimum lease payments receivable under non-cancellable operating leases		
No later than one year	1,971,954	1,157,412
Later than one year and no later than five years	4,872,340	1,949,977
	6,844,294	3,107,389
Aggregate operating lease rentals receivable in the year	977,997	974,896
Loss on disposal of property, plant and equipment	(16,044)	-

The depreciation charge for property, plant and equipment is included within cost of sales in the income statement

The Company leases equipment and vehicles to customers under operating lease agreements

On 31 March 2014 all of the lease contracts of Assetfinance March (C) Limited and Assetfinance City Investments Limited were transferred to the Company. The carrying value of such operating lease assets is shown above. The fair value is not considered to be significantly different to the carrying value.

ASSETFINANCE MARCH (D) LIMITED

Notes on the Financial Statements (continued)

7 Finance lease receivables

The Company leases vehicles, plant and machinery to customers under finance lease agreements

	2015 £	2014 £
Gross investment in finance leases		
Amounts falling due		
No later than one year	<u>6,325</u>	<u>893,251</u>
Gross investment in finance leases	6,325	893,251
Unearned finance income	-	(21,928)
Impairment provisions	-	(933)
Net investment in finance leases less provisions	<u>6,325</u>	<u>870,390</u>
Amortisation of finance lease receivables		
Amounts falling due		
No later than one year	<u>6,325</u>	<u>870,390</u>
Present value of minimum lease receivables	<u>6,325</u>	<u>870,390</u>
Fair value of amounts receivable under finance leases	<u>6,325</u>	<u>886,314</u>
Aggregate finance lease rentals receivable in the year	<u>1,150,697</u>	<u>21,183</u>
Other income in respect of finance lease receivables	<u>22,934</u>	<u>35</u>

On 31 March 2014 all of the lease contracts of Assetfinance March (C) Limited and Assetfinance City Investments Limited were transferred to the Company. The carrying value of the net investment in finance leases transferred amounted to £876,626. The fair value is not considered to be significantly different to the carrying value.

8 Receivables

	2015 £	2014 £
Other debtors	7,895	15,527
Value added tax	<u>1,331,335</u>	-
	<u>1,339,230</u>	<u>15,527</u>

9 Deferred tax liabilities / (assets)

	2015 £	2014 £
Leasing transactions temporary differences		
At 1 April	12,794	(93,049)
Income statement charge/(credit)	230,057	(158,026)
Transfers - deferred tax	-	263,869
At 31 March	<u>242,851</u>	<u>12,794</u>

Leasing transactions temporary differences relate principally to accelerated capital allowances and depreciation.

ASSETFINANCE MARCH (D) LIMITED

Notes on the Financial Statements (continued)

10 Other liabilities

	2015 £	2014 £
Related parties Amounts owed to parent undertakings	11,375,394	5,720,332
Value added tax	-	248,424
	<u>11,375,394</u>	<u>5,968,756</u>

Amounts owed to parent undertakings have no fixed date for repayment and are therefore technically repayable on demand. They are accounted for as financial liabilities, measured at amortised cost and the fair value is not considered to be significantly different from the carrying value.

11 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

12 Fair value of financial assets and liabilities

Except where disclosed elsewhere, there are no material differences between the carrying value and the fair value of financial assets and liabilities as at 31 March 2014 and 31 March 2015.

13 Risk Management

The Company has exposure to the following types of risk arising from its use of financial instruments: credit risk, liquidity risk and market risk. Market risk includes interest rate risk and foreign exchange risk.

The management of all risks which are significant, together with the quantitative disclosures not already included elsewhere in the financial statements, is described in this note.

Exposure to credit risk, liquidity risk and market risk arises in the normal course of the Company's business. The Company's risk management policies are consistent with the HSBC Group's risk management policies.

The Company participates in transactions to which other HSBC Group companies are also party. The HSBC business in which these companies reside (the "Business") has an established risk management process which considers the risks at the outset and on an ongoing basis in relation to each transaction from the Business' perspective – this will consolidate the risks of participating companies and, as such, offsetting risks will be eliminated. To the extent there is any residual risk, management will mitigate this by implementing the appropriate instruments and these will reside in the relevant company.

As part of that process, the Business' management will review the monthly management accounts of the Business. There were no changes in the Company's approach to risk management during the year.

Credit risk management

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its obligations under a contract. It arises principally from finance lease receivables.

The Business manages credit risk for this entity as described above for risks generally.

ASSETFINANCE MARCH (D) LIMITED

Notes on the Financial Statements (continued)

Credit risk is managed within the overall framework of HSBC policy, with an established risk management process encompassing credit approvals, the control of exposures (including those to borrowers in financial difficulty), credit policy direction to business units and the monitoring and reporting of exposures both on an individual and a portfolio basis. The Directors are responsible for the quality of the credit portfolios and follow a credit process involving delegated approval authorities and credit procedures, the objective of which is to build and maintain risk assets of high quality. Regular reviews are undertaken to assess and evaluate levels of risk concentration, including those to individual industry sectors and products. Credit risk is managed at a group level by business sector, rather than in respect of individual undertakings.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. No collateral is held in respect of finance lease receivables, although as title to the underlying assets remains with the lessor, these assets would be recoverable in case of default.

Movement in allowance accounts for total loans and advances

	2015 Individually assessed £	2015 Collectively assessed £	2014 Individually assessed £	2014 Collectively assessed £
At 1 April	-	933	-	-
Amounts written off	-	(451)	(8)	-
Transfer from other group undertakings	-	-	-	933
(Credit)/charge to income statement	-	(482)	8	-
At 31 March	-	-	-	933

Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its cash flow requirements on a monthly basis and will compare expected cash flow obligations with expected cash flow receipts to ensure they are appropriately aligned. In light of this the Company will borrow funds as and when required from group undertakings.

The Business manages liquidity risk for this entity as described above for risks generally.

The Company's assets net of deferred tax, are funded principally by borrowings from a parent undertaking, which acts as a treasury function. This funding has no fixed repayment date and therefore is technically repayable on demand. The treasury function provides funds as required to finance the leases, at the same rates that currently apply to the relevant Company borrowings, for the term of the leases.

The following is an analysis of undiscounted cash flows payable under financial liabilities by remaining contractual maturities at the end of the reporting period.

	Carrying value £	Contractual cash flows £	On demand £	Due within 3 months £
31 March 2015				
Amounts owed to parent undertakings	11,375,394	11,375,394	11,375,394	-
Accruals and deferred income	321,006	321,006	-	321,006
	11,696,400	11,696,400	11,375,394	321,006
31 March 2014				
Amounts owed to parent undertakings	5,720,332	5,720,332	5,720,332	-
Accruals and deferred income	74,766	74,766	-	74,766
	5,795,098	5,795,098	5,720,332	74,766

Market risk management

Market risk is the risk that movements in market risk factors, including foreign exchange rates and interest rates will affect the Company's income. The Company is not exposed to interest rate risk or foreign exchange risk on its financial assets or financial liabilities.

ASSETFINANCE MARCH (D) LIMITED

Notes on the Financial Statements (continued)

14 Related-party transactions

The Company has a related party relationship with its parent, with other group undertakings and with its Directors

Particulars of transactions, arrangements and agreements involving related and third parties are disclosed elsewhere within the financial statements

The ultimate parent undertaking (which is the ultimate controlling party) and 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 HSBC Holdings plc, and the parent undertaking of the smallest such group is HSBC Bank plc. The immediate holding Company is HSBC Equipment Finance (UK) Limited (with effect from 31 May 2015, prior to this was Assetfinance Limited). The result of the Company is included in the group financial statements of HSBC Bank plc and HSBC Holdings plc.

Copies of the group financial statements may be obtained from the following addresses

HSBC Bank plc
8 Canada Square
London
E14 5HQ

HSBC Holdings plc
8 Canada Square
London
E14 5HQ

15 Capital management

The Company is not subject to externally imposed capital requirements and is dependent on the HSBC Group to provide necessary capital resources which are therefore managed on a group basis.

The Company defines capital as total shareholders' equity. It is HSBC's objective to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times. There were no changes to the Company's approach to capital management during the year.

16 Contingent liabilities

There were no contingent liabilities at 31 March 2015 (2014: £Nil).

17 Subsequent events

A dividend of £257,388 was paid on 31 May 2015.

On 31 May 2015, the ownership of share capital of £2 was transferred from Assetfinance Limited to a fellow group undertaking HSBC Equipment Finance (UK) Limited at par.

There are no other subsequent events requiring disclosure in the financial statements.