

3683497

FCE Leasing (Holdings) Limited

Annual Report and Financial Statements

for the year ended 31 December 2012



FCE Leasing (Holdings) Limited

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FCE Leasing (Holdings) Limited

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Company information

Directors

The following served during the year

P Kiernan

J Coffey

C Jackson

B Silverstone (Resigned 8 February 2012)

Joint secretaries

J Totsky

M Lavender

E Scales

Registered office and head office

Central Office

Eagle Way

Brentwood

Essex CM13 3AR

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside, London, SE1 2RT

FCE Leasing (Holdings) Limited

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(Company registration number: 3683497)

Directors' report for the year ended 31 December 2012

The directors present their report and the audited financial statements of FCE Leasing (Holdings) Limited (the "Company") for the year ended 31 December 2012

Principal activities

The Company does not trade. It is a holding company, previously being the parent of FCE Leasing Limited and a number of other lease finance companies. The Company holds a payable due to its parent undertaking FCE Bank plc ("FCE"), and four receivables due from FCE, being loans previously held by the Company's former subsidiaries, now dissolved.

On 1 June 2007 the leasing and short term daily rental business of FCE Leasing Limited and its subsidiary companies, including the tangible assets of FCE Leasing Limited, were sold to FCE Bank plc at their net book value, which was considered to be equal to their fair value.

Business review

In the year ended 31 December 2012, the Company made a profit of £3,780,963 (2011 Profit £300,409,522), a reduction of £296,628,559 primarily as a result of the restructuring actions described below.

In order to simplify the affairs of the group and ultimately reduce the number of subsidiaries, a number of transactions were carried out relating to the Company, FCE Leasing Limited ("FCEL") and its wholly owned subsidiaries, Jaguar Financial Services Limited ("JFS"), Automotive Finance Limited ("AFL") and Ford Automotive Leasing Limited ("FAL") as summarised below.

- On 30 March 2011 three loans to FCE totalling £322 million from AFL, FAL and JFS were assigned to FCEL.
- On 30 September 2011 these loans, together with a loan from FCEL to FCE of £284 million, plus £3 million of accrued interest were assigned from FCEL to the Company. A dividend of £610 million was received by the Company from FCEL on the same date.
- On 30 September FAL was acquired by the Company from FCEL.
- During 2011, the carrying value of the investment in FCEL was written down by £308 million to nil, by the Company.
- AFL and JFS were dissolved on 25 October 2011 and FCEL was dissolved on 31 January 2012.

Future Developments

There are no current plans to resume trading within this company and it is anticipated that the Company will be liquidated in 2014. Therefore the financial statements have been prepared on a 'break up' basis.

Principal risks and uncertainties

The Company has five assets, being the loans of the previous four subsidiaries (JFS, AFL, FAL and FCEL) to FCE and its investment in FAL following the restructuring, and one liability being the loan issued from its parent undertaking. As such, the directors consider that the principal risks and uncertainties faced by the Company consist only of the interest rate risk associated with both the assets and liability and the credit risk associated with the assets.

Key performance indicators ("KPI's")

The Company's directors are of the opinion that an analysis using KPI's is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of FCE, the Company's intermediate parent company is discussed in FCE's Annual Report and Accounts and Interim Report and Financial Statements, which do not form part of this report.

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(Company registration number 3683497)

Directors' report for the year ended 31 December 2012 (continued)

Directors

The directors who served during the year and up to the date of signing these financial statements were as follows

P Kiernan

J Coffey

C Jackson (Resigned 1 May 2013)

B Silverstone (Resigned 8 February 2012)

Dividends

The directors have not declared a dividend for the year ended 31 December 2012 (2011 no dividend declared)

Payments to suppliers

The Company had no trade creditors as at 31 December 2012 (2011 none)

Disclosure of information to auditors

In the case of each person who is a director at the date of this report, it is confirmed that, so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and he has taken all the steps that ought to have been taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 (2) to (4) of the Companies Act 2006

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. As it is the intention of the directors to liquidate the company in 2014, the going concern basis is deemed inappropriate. Therefore these accounts have been prepared on the Break-up Basis

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(Company registration number 3683497)

Directors' report for the year ended 31 December 2012 (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.

By order of the board

A handwritten signature in black ink, appearing to read 'M. Lavender', written in a cursive style.

Michael Lavender
Joint Company Secretary
16th September 2013

Independent auditors' report to the members of FCE Leasing (Holdings) Limited

We have audited the financial statements of FCE Leasing (Holdings) Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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.

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

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Independent auditors' report to the members of FCE Leasing (Holdings) Limited (continued)

- 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



Andrew Hawkins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
17th September 2013

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Profit and loss account for the year ended 31 December 2012

	Notes	2012 £'000	2011 £'000
Interest receivable and similar income	3a	7,699	1,538
Interest payable and similar charges	4a	(3,919)	(3,095)
Dividend income	3b	-	609,930
Amounts written off investments	4b	-	(307,963)
<hr/>			
Profit on ordinary activities before taxation	5	3,780	300,410
Taxation on profit on ordinary activities	6	-	-
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Profit for the year	12	3,780	300,410
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The Company has no recognised gains and losses other than those included in the profits above in both the current or prior year, and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year or prior year, as stated above, and their historical cost equivalents. All results derive from continuing operations

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Balance sheet as at 31 December 2012

	Notes	2012 £'000	2011 £'000
Fixed assets			
Investment in group undertakings	8	0	0
Current assets			
Amount owed by parent undertakings	9	619,168	611,469
Total assets		<u>619,168</u>	<u>611,469</u>
Creditors: Amounts falling due within one year			
Amounts owed to the parent undertakings	10	(315,130)	(311,211)
Net assets		<u>304,038</u>	<u>300,258</u>
Capital and reserves			
Called up share capital	11	275,488	275,488
Profit and loss account	12	28,550	24,770
Total shareholders' funds	13	<u>304,038</u>	<u>300,258</u>

The financial statements on pages 6 to 12 were approved by the board of directors on 16 September 2013 and were signed on its behalf by



J Coffey
Director
16th September 2013

The accompanying notes to the financial statements are an integral part of the financial statements

Notes to the financial statements for the year ended 31 December 2012

1. Accounting policies and presentation of financial information

The financial statements of FCE Leasing (Holdings) Limited (the "Company") have been prepared in accordance with the Companies Act 2006 and applicable UK accounting standards

As described in the Directors' report on page 2, it is anticipated that the Company will be liquidated in the 2014. Therefore the financial statements have been prepared on a 'break up' basis

The break-up basis requires all of the company's assets to be stated at their estimated net recoverable amounts. Normally the breakup basis would lead to all assets and liabilities being reclassified to be shown as realisable/payable within 1 year of the balance sheet date however as it is the Directors' intention to liquidate the Company in 2014, it is appropriate to retain the assets and liabilities as non-current where applicable. The financial statements reflect estimated and actual amounts relating to gains, losses and costs arising during the liquidation of the company's activities. No significant adjustments were required to be made on adopting the break-up basis.

The principal accounting policies are set out below

(a) Interest income from parent undertakings

Interest income is recorded on an accruals basis using interest rates taken from the finance and leasing association which are considered to be equivalent to commercial rates. Accrued interest is added to amounts due from a parent undertaking.

(b) Interest expense to group undertakings

Interest expense is recorded on an accruals basis using agreed interest rates based on the monthly balances of the loans outstanding between the company and FCE.

(c) Investments in group undertakings

The Company's interest in group undertakings is stated at cost less any provisions for impairment.

2. Cash flow statement and related party disclosures

The Company is a wholly owned subsidiary of FCE Bank Plc and is included in the consolidated financial statements of FCE, 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. The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with other wholly-owned entities that are part of the FCE group or investees of the FCE group.

3a. Interest receivable and similar income

	2012 £'000	2011 £'000
Receivable from the parent undertaking	7,699	1,538
	<u> </u>	<u> </u>

3b Dividend received

	2012 £'000	2011 £'000
FCE Leasing Limited	-	609,930
	<u> </u>	<u> </u>

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Notes to the financial statements for the year ended 31 December 2012 (continued)

4a. Interest payable and similar income

	2012 £'000	2011 £'000
Payable to the parent undertaking	(3,919)	(3,095)

4b Amount written off investments

	2012 £'000	2011 £'000
Write down of investment in subsidiary	-	(307,963)

5 Profit on ordinary activities before taxation

Auditors' remuneration for the audit of the financial statements of £5,000 (2011 £1,890) has been borne by FCE Bank plc without recharge. No other expenses were deducted from profit before tax.

6. Tax on profit on ordinary activities

The taxation amount is made up as follows

	2012 £'000	2011 £'000
Current tax charge	-	-

The tax assessed for the year before group relief is the same as (2011 less than) the effective rate of corporation tax in the UK for the year ended 31 December 2012 of 24.5% (2011 26.5%), as explained below

Reconciliation of tax charge	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	3,780	300,410
Non-taxable dividend income	-	(609,930)
Non-deductible expenses	-	-
Cancellation of share capital of subsidiary	-	307,963
Interest expense	-	-
Taxable income /(loss)	3,780	(1,557)
Taxable income/(loss) multiplied by the standard effective corporation tax rate in the UK of 24.5% (2011 26.5%)	926	(413)
Group relief (taken)/surrendered for no consideration	(926)	413
Current tax charge for year	-	-

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Notes to the financial statements for the year ended 31 December 2012 (continued)

7 Directors' emoluments and employees

None of the directors received any remuneration from the Company in respect of their services during the year (2011 nil). The directors are remunerated by FCE in respect of their services to that Company and its subsidiary companies. It is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly no details are provided in respect of the directors' emoluments which are described in the financial statements of FCE. * The Company did not have any employees during the year (2011 nil).

* Refer to page 12 below for details of how to obtain a copy of FCE's Annual Report and Accounts and Interim Report and Financial statements

8 Investments in group undertakings

	2012	2011
Investment in group undertakings	1	1

The company holds a 100% investment in Ford Automotive Leasing Limited (FAL) being one share of £1 nominal value (2011 one share of £1 nominal value)

9 Amounts owed by parent undertakings

	2012 £'000	2011 £'000
Amounts owed by parent undertakings	619,168	611,469

As part of the restructuring in 2011 and 2012 described in the Directors' Report, with effect from 30 September 2011 the amounts outstanding from FCE to FCE Leasing Ltd, Jaguar Financial Services Ltd, Automotive Finance Ltd and FAL totalling £609 million were assigned to the Company

Amounts due from the parent undertaking are unsecured, with the interest rate being set monthly at the Finance House Base Rate (FHBR) for that month. Payment of interest is deferred and capitalised into the loan balances outstanding.

The Finance House Base Rate (FHBR) remained at 1.0% in the year ending 31 December 2012 (2011 1.0%).

10. Creditors amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to parent undertakings	315,130	311,211

Amounts due to its parent are unsecured, with the interest rate being set monthly at the Finance House Base Rate (FHBR) for that month. Payment of interest is deferred and capitalised into the loan balance outstanding.

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Notes to the financial statements for the year ended 31 December 2012 (continued)

11 Called up share capital

	2012 £	2011 £
275,488,104 (2011 275,488,104) ordinary shares of £1 each	275,488,104	275,488,104
	<u>275,488,104</u>	<u>275,488,104</u>

12 Profit and loss account

	2012 £'000	2011 £'000
At 1 January	24,770	(275,640)
Profit retained for the financial year	3,780	300,410
At 31 December	<u>28,550</u>	<u>24,770</u>

13 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Profit for the financial year	3,780	300,410
Net increase in shareholders' funds	<u>3,780</u>	<u>300,410</u>
Opening shareholders' funds - 1 January	<u>300,258</u>	<u>(152)</u>
Closing shareholders' funds - 31 December	<u>304,038</u>	<u>300,258</u>

14. Immediate and ultimate parent undertaking

The company is a wholly owned subsidiary of FCE Bank plc. FCE Bank plc is the smallest intermediate parent for which consolidated financial statements are produced. FCE Leasing (Holdings) Limited does not produce consolidated Financial Statements, being wholly owned by and consolidated into the Financial Statements of FCE Bank plc (the intermediate parent). FCE Leasing (Holdings) Limited and FCE Bank plc are registered in England and Wales. The ultimate parent undertaking and controlling party is Ford Motor Company. Ford Motor Company is incorporated in the United States of America and is the largest company to consolidate these financial statements.

Copies of the consolidated Financial Statements for FCE may be obtained directly from web site address provided on page 12 or by contacting FCE Bank plc, Central Office, Eagle Way, Brentwood, Essex CM13 3AR. Copies of the consolidated Financial Statements for Ford Motor Company may be obtained from Ford Motor Company (US), One American Road, Dearborn, Michigan 48126, United States of America.

FCE Leasing (Holdings) Limited

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Web site addresses

Additional Data	Web site addresses
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FCE Bank plc

- Annual report [http //www fcebank com](http://www.fcebank.com) or
- Interim report [http //wwwqa ffe-fordfinancialeurope ford com/](http://www.qa.fce-fordfinancialeurope.ford.com/)
- Basel Pillar 3 Report To access click on 'Investor information'

Ford Motor Company (Ultimate Parent Company)

- Financial Results [http //www ford com/about-ford/investor-relations](http://www.ford.com/about-ford/investor-relations)
- Annual Reports To access, click on 'Investor relations', then 'Financial Results' and then required item