

Cargobull Finance Limited

Directors' report and financial statements

Registered number 4122590

31 December 2013

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Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the company (registered number 4122590) for the year ended 31 December 2013.

Principal activities

The Company's principal activity for 2013 was the provision of finance for Schmitz Cargobull trailers.

Business review

The Company's profit after tax for the year was £378,000 (2012: £622,000).

Principal risks and uncertainties facing the Company

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs.

In order to ensure stability of cash outflows and hence manage interest rate risk, the Company has a policy of maintaining the majority of this debt at a fixed rate. The Company does not use derivative financial instruments to manage interest rate costs.

Credit risk

The Company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Liquidity risk

The Company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The Company has both interest bearing assets and interest bearing liabilities. The majority of interest bearing assets earn interest at a fixed rate. The Company has a policy of maintaining debt at a fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

Proposed dividend

The directors do not recommend the payment of a dividend (2012: £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

D Wooldridge (appointed 28 November 2013)
R Roelfsema
R Ceribelli
A Frisina (resigned 28 November 2013)
V Shah (resigned 28 November 2013)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Directors' report *(continued)*

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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;
- 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.

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 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.

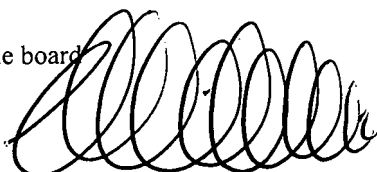
Disclosure of Information to the Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



R Ceribelli

Director

11 April 2014

KPMG Audit Plc

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Cargobull Finance Limited

We have audited the financial statements of Cargobull Finance Limited for the year ended 31 December 2013 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 2, 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 website 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 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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.

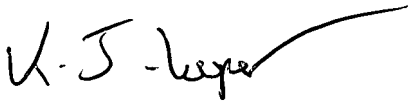
Independent auditor's report to the members of Cargobull Finance Limited

(continued)

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.



Kieren Cooper (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

14 April 2014

Profit and loss account
for the year ended 31 December 2013

| | <i>Notes</i> | 2013 £000 | 2012 £000 |
|--|--------------|----------------------------|----------------------------|
| Turnover | 2 | 5,687 | 6,201 |
| Interest receivable | 6 | - | - |
| Interest payable | 7 | (1,231) | (1,841) |
| | | <hr/> | <hr/> |
| Operating profit | | 4,456 | 4,360 |
| Other income | | 247 | 497 |
| Administrative expenses | | (4,124) | (3,931) |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | 3 | 579 | 926 |
| Taxation | 8 | (201) | (304) |
| | | <hr/> | <hr/> |
| Profit for the financial year | | 378 | 622 |
| | | <hr/> <hr/> | <hr/> <hr/> |

All activities are classified as continuing.

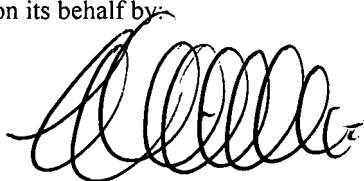
There are no recognised gains or losses in either year other than those included in the above profit and loss account.

The notes on pages 8 to 14 form part of the financial statements.

Balance sheet
at 31 December 2013

| | <i>Notes</i> | 2013 £000 | 2012 £000 |
|---|--------------|-----------------|-----------------|
| Fixed assets | <i>9</i> | 16,618 | 19,465 |
| Current assets | | | |
| Debtors due within one year | <i>10</i> | 11,383 | 9,805 |
| Cash at bank | | 9 | - |
| | | <u>11,392</u> | <u>9,805</u> |
| Creditors: amounts falling due within one year | <i>11</i> | (7,648) | (8,167) |
| | | <u></u> | <u></u> |
| Net current assets | | 3,744 | 1,638 |
| Debtors: due after more than one year | <i>10</i> | 5,797 | 6,946 |
| | | <u>26,159</u> | <u>28,049</u> |
| Totals Assets less Current Liabilities | | | |
| Creditors: amounts falling due after one year | <i>12</i> | (20,326) | (22,594) |
| | | <u></u> | <u></u> |
| Net assets | | 5,833 | 5,455 |
| | | <u></u> | <u></u> |
| Capital and reserves | | | |
| Called up share capital | <i>13</i> | 6,600 | 6,600 |
| Profit and loss account | | (767) | (1,145) |
| | | <u></u> | <u></u> |
| Equity Shareholders' funds | | 5,833 | 5,455 |
| | | <u></u> | <u></u> |

These financial statements on pages 5 to 14 were approved by the board of directors on 11 April 2014 and were signed on its behalf by:



R Ceribelli
Director

The notes on pages 8 to 14 form part of the financial statements.

Company registered number: 4122590

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2013

| | 2013 £000 | 2012 £000 |
|-------------------------------------|--------------|--------------|
| Profit for the financial year | 378 | 622 |
| Share capital issued | - | - |
| | <hr/> | <hr/> |
| Net increase in shareholders' funds | 378 | 622 |
| Opening shareholders' funds | 5,455 | 4,833 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 5,833 | 5,455 |
| | <hr/> | <hr/> |

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards, provisions of the Companies Act 2006 and in compliance with the Statement of recommended accounting practice issued by the Finance and Lease Association.

The directors have a reasonable expectation that the company has adequate resources to continue for the foreseeable future. Thus they continue to adopt the going concern basis of accounting for these financial statements.

A summary of the more important accounting policies is set out below.

Fixed assets and depreciation

Assets leased out under operating leases are stated at cost less accumulated depreciation and any provisions for impairment.

Depreciation on assets is provided to amortise the cost of the asset to its estimated residual value at the end of its useful economic life. For assets leased to customers under operating leases, depreciation is charged on a non linear basis so that the profit from the lease produces a constant periodic rate of return on the net cash investment in the lease.

Leasing income

The total gross earnings under finance leases, and similar hire purchase contracts, are allocated so as to give a constant periodic rate of return on the company's net cash investment in the lease. Rental income (less discounts granted to lessees) from operating leases is recognised on a straight-line basis over the term of the lease.

Taxation

The charge for taxation is based on the profit for the year. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Cash flow statement

Under FRS1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

2 Turnover

Turnover consists of gross earnings under finance lease, hire purchase and operating lease agreements. This is derived primarily in the United Kingdom.

Notes to the financial statements *(continued)*

3 Profit on ordinary activities before taxation

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| <i>Profit) on ordinary activities before taxation is stated after charging</i> | | |
| Auditor's remuneration: | | |
| Audit of these financial statements | 4 | 4 |
| Depreciation and other amounts written off tangible fixed assets: | | |
| Owned | 3,681 | 3,699 |
| | <u>3,681</u> | <u>3,699</u> |

4 Remuneration of directors

None of the directors received any emoluments in respect of qualifying services to the company during the year (2012: £nil).

5 Staff numbers and costs

The average number of persons employed by the company (excluding executive directors) during the year was 1(2012:2).

The aggregate payroll costs of these persons were as follows:

| | 2013 £000 | 2012 £000 |
|-----------------------|--------------|--------------|
| Wages and salaries | 39 | 152 |
| Social security costs | 17 | 13 |
| Other pension costs | 10 | 20 |
| | <u>66</u> | <u>185</u> |

The company makes pension contributions on behalf of qualifying employees to two sections of the pension scheme operated by the London branch of Rabobank International. The sponsoring company being Coöperatieve Centrale Raiffeisen Boerenleenbank BA, trading as Rabobank International. The first section is a funded defined benefits scheme, and contributions are calculated on a group basis in accordance with the advice of an appointed, professionally qualified actuary. The last actuarial valuation was made on 31 March 2010. The valuation shows a deficit of £14.6 million on a current funding level basis. It represents a funding level of 80% relative to the Funds funding target. During the year, an amount of £0.1m was paid to the pension fund in respect of the deficit. No new members are allowed to join this section of the pension scheme.

Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS17 'Retirement Benefits', the scheme is accounted for as if the scheme was a defined contribution scheme.

The second section of the scheme is a non-contributory money purchase scheme.

Notes to the financial statements *(continued)*

6 Interest receivable

| | 2013 £000 | 2012 £000 |
|-------------------------|--------------|--------------|
| HM Revenue & Customs | - | - |
| From group undertakings | - | - |
| Other | - | - |
| | <hr/> | <hr/> |
| | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

7 Interest payable

| | 2013 £000 | 2012 £000 |
|-----------------------------------|--------------|--------------|
| HM Revenue & Customs | - | - |
| On loan from group undertakings | 814 | 1,253 |
| Other banks and finance companies | 417 | 588 |
| | <hr/> | <hr/> |
| | 1,231 | 1,841 |
| | <hr/> <hr/> | <hr/> <hr/> |

8 Taxation

(i) Analysis of charge in the year

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| <i>Current tax</i> | | |
| UK Corporation tax on results of the year | 10 | 290 |
| Adjustments in respect of prior years | - | - |
| | <hr/> | <hr/> |
| Total current tax charge | 10 | 290 |
| <i>Deferred tax</i> | | |
| Current year charge/(credit) | 125 | (62) |
| Impact of change in tax rate | 66 | 76 |
| | <hr/> | <hr/> |
| Total deferred tax charge (note 10) | 191 | 14 |
| | <hr/> <hr/> | <hr/> <hr/> |
| Tax on results of ordinary activities | 201 | 304 |
| | <hr/> <hr/> | <hr/> <hr/> |

Notes to the financial statements *(continued)*

8 Taxation (continued)

(ii) Factors affecting the tax charge for the year

| | 2013 £000 | 2012 £000 |
|---|--------------|--------------|
| Profit on ordinary activities before taxation | 579 | 926 |
| Corporation tax at 23.25% (2012: 24.50%) | 135 | 227 |
| <i>Effects of:</i> | | |
| Expenses not deductible for tax purposes | 1 | 1 |
| Capital allowances in excess of depreciation | (126) | 62 |
| Total current tax charge (see above) | 10 | 290 |

The corporate tax rate reductions announced in the March 2013 Budget were substantially enacted on 2 July 2013. The rate will reduce to 21% with effect from 1 April 2014 and further reduce to 20% with effect from 1 April 2015. This will further reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2013 has been calculated using the rate of 21% substantively enacted at the balance sheet date.

Notes to the financial statements *(continued)*

9 Fixed assets

| | Operating leases £000 |
|------------------------------|-----------------------------|
| <i>Cost</i> | |
| At the beginning of the year | 26,708 |
| Additions | 1,990 |
| Disposals | (2,447) |
| | <hr/> |
| At end of the year | 26,251 |
| | <hr/> |
| <i>Depreciation</i> | |
| At the beginning of the year | 7,243 |
| Charge for the year | 3,681 |
| Disposals | (1,291) |
| | <hr/> |
| At the end of the year | 9,633 |
| | <hr/> |
| <i>Net book value</i> | |
| At 31 December 2013 | 16,618 |
| | <hr/> |
| <i>Net book value</i> | |
| At 31 December 2012 | 19,465 |
| | <hr/> |

10 Debtors

| | 2013 | | 2012 | |
|------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | Due within one year £000 | Due after one year £000 | Due within one year £000 | Due after one year £000 |
| Net investment in finance leases | 10,850 | 5,095 | 9,752 | 6,053 |
| Amounts owed by group undertakings | - | - | - | - |
| Other debtors | 329 | - | 53 | - |
| Corporation tax receivable | 204 | - | - | - |
| Deferred tax asset (note 8) | - | 702 | - | 893 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 11,383 | 5,797 | 9,805 | 6,946 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

The cost of assets acquired for the purposes of letting under finance leases and hire purchase during the year was £5.0m (2012: £3.0m).

Notes to the financial statements *(continued)*

11 Creditors: amounts falling due within one year

| | 2013 £000 | 2012 £000 |
|---------------------------------|--------------|--------------|
| Bank overdraft | - | 310 |
| Amounts owed to other banks | 1,779 | 1,233 |
| Amounts owed to group companies | 5,572 | 6,004 |
| Trade creditors | 98 | 156 |
| Other creditors | 199 | 301 |
| Corporation tax payable | - | 163 |
| | <u>7,648</u> | <u>8,167</u> |

12 Creditors: amounts falling due after one year

| | 2013 £000 | 2012 £000 |
|---------------------------------|---------------|---------------|
| Amounts owed to group companies | 16,816 | 17,309 |
| Amounts owed to other banks | 3,510 | 5,285 |
| | <u>20,326</u> | <u>22,594</u> |

Debts are repayable as follows:

| | 2013 £000 | 2012 £000 |
|--|---------------|---------------|
| Within one year (Bank loans, overdrafts and group companies per note 11) | 7,351 | 7,547 |
| Within one to two years | 6,789 | 7,803 |
| Within two to five years | 13,071 | 13,601 |
| After five years | 466 | 1,190 |
| | <u>27,677</u> | <u>30,141</u> |

13 Called up share capital

| | 2013 £000 | 2012 £000 |
|--|--------------|--------------|
| <i>Allotted, called up and fully paid</i> | | |
| 6,600,000 (2012: 6,600,000) ordinary shares of £1 each | <u>6,600</u> | <u>6,600</u> |

14 Related party transactions

The company's ultimate parent company prepares consolidated financial statements that are publicly available. Accordingly, the company has taken advantage of an exemption in Financial Reporting Standard 8 – 'Related Party Transactions', and does not disclose transactions with other entities in the Coöperatieve Centrale Raiffeisen Boerenleenbank BA, trading as Rabobank Nederland group.

Notes to the financial statements *(continued)*

15 Intermediate and ultimate parent company

The immediate holding company is Cargobull Finance Holding BV, and the ultimate controlling party is Coöperatieve Centrale Raiffeisen Boerenleenbank BA.

The smallest group in which the results of the company are consolidated is that headed by Cargobull Finance Holding BV which is incorporated in the Netherlands. The group financial statements of Cargobull Finance Holding BV can be obtained from Vestdijk 51, PO Box 652, 5600 AR Eindhoven, The Netherlands.

The largest group in which the results of the company are consolidated is that headed by Coöperatieve Centrale Raiffeisen Boerenleenbank BA trading as Rabobank Nederland and incorporated in the Netherlands. The group financial statements of Rabobank Group, which is also the ultimate parent company, may be obtained from Croeselaan 18, Postbus 17100, 3500 HG Utrecht, The Netherlands.