CNH INDUSTRIAL CAPITAL EUROPE LIMITED

Previously known as

CNH CAPITAL EUROPE LIMITED

REPORT OF THE DIRECTORS

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

REGISTERED NUMBER: 3420615

CNH INDUSTRIAL CAPITAL EUROPE LIMITED

Previously known as

CNH CAPITAL EUROPE LIMITED

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CNH INDUSTRIAL CAPITAL EUROPE LIMITED
COMPANY NUMBER 3420615

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

1. PRINCIPAL ACTIVITIES

The Company is a wholly owned subsidiary of CNH Capital Europe SAS, a joint operation between BNP Paribas Lease Group SA and CNH Global NV.

The principal activities of the Company comprise the provision of retail finance by way of finance leasing to customers of the CNH group's UK dealer network. The assets under management have increased to £342m from £261m and it is anticipated that this level of business will be maintained in 2014.

2. BUSINESS REVIEW

The results of the Company for the period to 31 December 2013 are stated in the Statement of Comprehensive Income on page 7 and show a profit before tax of £7,584,000 (2012: Profit of £6,720,000). The total assets have increased to £328m (2012: £274m). The Company recorded satisfactory results for the year.

In the year, the Company paid a dividend of £3.1 million to its parent company BNP Paribas Lease Group PLC relating to the year ended 31 December 2012.

The Company changed its name on 11 December 2013 from CNH Capital Europe Limited to CNH Industrial Capital Europe Limited.

CNH Industrial Capital Europe Limited is incorporated in England with its registered office at Northern Cross, Basing View, Basingstoke, Hampshire RG21 4HL.

3. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Company which are associated with its activities are liquidity risk, interest rate risk, credit risk, bad debt risk and loan to value risk.

Interest rate and liquidity risk

Fixed rate borrowings are taken from BNP Paribas, a related party, to match fixed rate lending and minimise exposure to interest rate risk.

Credit risk

Investments of cash surpluses and borrowings are made with BNP Paribas, a related party.

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Bad debt risk

Bad Debt Risk arises from the non-payment of instalment or rentals by customers. The Company has stringent risk management procedures, covering acceptance of clients, follow up of non payment of lease rentals through to recovery of assets, by which it aims to mitigate this risk as far as possible.

Loan to value risk

Loan to Value Risk arises from the ratio of the exposure of the Company, to the value of the asset financed. The Company manages this risk by careful client acceptance procedures, coupled with stringent asset valuation methodologies, using third party asset valuations where appropriate.

4. KEY PERFORMANCE INDICATORS

The directors consider the Key Performance Indicators (KPIs) used by the business to be:

	2013	2012
Profit Before Tax /Assets	**2.60%**	2.58%
Net Interest Income / Assets	**4.16%**	3.03%
Operating expenses/Assets	**9.40%**	8.44%
Net book value of assets under management as at 31 December	**£291,735,000**	£248,137,000
New business volume (£)	**£189,258,000**	£177,047,920

5. FUTURE OUTLOOK

The Company expects to maintain business at the current level.

T. M. Watt

T Watkins
Director

29 September 2014

CNH INDUSTRIAL CAPITAL EUROPE LIMITED
COMPANY NUMBER 3420615

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their Annual Report and Audited Financial Statements of the Company for the year ended 31 December 2013.

1. SHARE CAPITAL

The issued share capital at 31 December 2013 was £9,000,000 (2012: £9,000,000).

2. DIRECTORS

P Layan
B Dilly - resigned 2 September 2013
D McTaggart - resigned 2 April 2014
T Watkins - appointed 2 September 2013
S Cacopardo - appointed 2 April 2014

3. DIRECTOR INTERESTS

No director of the Company has at any time had any interest in the shares of the Company.

4. GOING CONCERN

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

Approved by the Board of Directors and signed by order of the Board.

N. James
Company Secretary

29 September 2014

Northern Cross
Basing View
Basingstoke
Hampshire
RG21 4HL

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, the Strategic 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. In preparing these financial statements the directors have also elected to comply with IFRS, as adopted by the European Union. 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 International Financial Reporting Standards (IFRSs) 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

PAYMENT OF SUPPLIERS

It is the Company's general policy to pay trade creditors when they fall due for payment. In the case of a number of major suppliers, specific terms and conditions of business have been agreed, and it is the Company's policy to pay in accordance with these terms provided that the supplier is also meeting all relevant terms and conditions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all the necessary steps they reasonably ought to have taken, as directors, to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

By order of the Board

T.M. Watt

T Watkins
Director

29 September 2014

Northern Cross
Basing View
Basingstoke
Hampshire
RG21 4HL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CNH INDUSTRIAL CAPITAL EUROPE LIMITED

We have audited the financial statements of CNH Industrial Capital Europe Limited for the year ended 31 December 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS's) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Financial Reporting Council (FRC's) Ethical Standards for Auditors. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 IFRS's as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the 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.

Richard Metcalfe (Senior Statutory Auditor)
For and on behalf of Mazars LLP Chartered Accountant and Statutory Auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD

30 September 2014

CNH INDUSTRIAL CAPITAL EUROPE LIMITED
COMPANY NUMBER 3420615

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

		2013		2012	
CONTINUING OPERATIONS	Notes	**£'000**	**£'000**	£'000 As restated	£'000 As restated
Revenue	2	41,099		37,005	
			41,099		37,005
Interest Expense	3	**(6,524)**		(6,638)	
Cost from Operations	4	**(25,744)**		(22,947)	
			(32,268)		(29,585)
PROFIT FROM OPERATIONS			**8,831**		7,420
Fee Income	5	**427**		722	
Administrative Expenses	6	**(1,674)**		(1,422)	
			(1,247)		(700)
PROFIT BEFORE TAX			**7,584**		6,720
Tax Expense	9		**(1,601)**		(1,569)
PROFIT FOR THE YEAR Attributable to Equity Holders			**5,983**		5,151
Other Comprehensive income for the year			**-**		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			**5,983**		5,151

The results for the current year are wholly derived from continuing operations.

The accompanying notes are an integral part of this statement.

CNH INDUSTRIAL CAPITAL EUROPE LIMITED
COMPANY NUMBER 3420615

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2013

		2013		2012	
ASSETS	Notes	**£'000**	**£'000**	£'000	£'000
Non Current Assets					
Finance Lease Receivables	11	**152,266**		119,937	
Deferred tax assets		-		166	
Loans due from Customers	12	**64**		-	
Total Non Current Assets			**152,330**		120,103
Current Assets					
Finance Lease Receivables	11	**139,344**		128,124	
Loans due from Customers	12	**61**		76	
Amounts due from Group Undertakings		**10**		-	
Inventory		-		12,104	
Other Receivables	13	**21,793**		13,027	
Cash and Cash Equivalents	10	**14,878**		584	
Total Current Assets			**176,086**		153,915
TOTAL ASSETS			**328,416**		274,018
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	17	**9,000**		9,000	
Retained Earnings		**20,248**		17,365	
TOTAL EQUITY			**29,248**		26,365
Non Current Liabilities					
Amounts due to Group Undertakings	15	**132,066**		102,700	
Deferred Tax Liabilities		**2,098**		2,586	
Total Non Current Liabilities			134,164		105,286
Current Liabilities					
Other Liabilities	14	**29,272**		8,126	
Amounts due to Group Undertakings	15	**135,732**		134,241	
Total Current Liabilities			**165,004**		142,367
Total Liabilities			**299,168**		247,653
TOTAL EQUITY AND LIABILITIES			**328,416**		274,018

The accompanying notes are an integral part of this statement.

These financial statements were approved by the Board of Directors on 29 September 2014.

They were signed on its behalf by:

T. N. Watkins

T Watkins
Director

CNH INDUSTRIAL CAPITAL EUROPE LIMITED
COMPANY NUMBER 3420615

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	**Ordinary Shares £'000**	**Retained Earnings £'000**	**Total £'000**
Opening balance sheet as at 1 January 2012		9,000	12,214	21,214
Profit for the year		-	5,151	5,151
Other Comprehensive Income for the year		-	-	-
Total Comprehensive Income for the year		-	5,151	5,151
Dividends for the year		-	-	-
Opening balance sheet as at 1 January 2013		**9,000**	**17,365**	**26,365**
Profit for the year		-	**5,983**	**5,983**
Other Comprehensive Income for the year		-	-	-
Total Comprehensive Expenses for the year		-	**5,983**	**5,983**
Dividends paid for the year	8	-	**(3,100)**	**(3,100)**
Equity as at 31 December 2013		**9,000**	**20,248**	**29,248**

CNH INDUSTRIAL CAPITAL EUROPE LIMITED
COMPANY NUMBER 3420615

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before Interest and Tax		**7,584**		6,720	
Impairment losses		**211**		497	
			7,795		7,217
Movements in working capital					
Increase in Finance Lease Receivables		**(43,760)**		(34,158)	
Increase in Loans Due from Customers		**(49)**		(52)	
(Increase)/Decrease in Other Receivables		**(8,766)**		1,017	
Decrease in Inventory		**12,104**		-	
Increase/(Decrease) in Other Payables		**20,336**		(8,147)	
Cash flows from operating activities before tax		**(20,135)**		(41,340)	
Corporation tax paid		**(1,113)**		(1,236)	
			(21,248)		(42,576)
Net cash used in operating activities			**(13,453)**		(35,359)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends Paid		**(3,100)**		-	
Loans received from Group Undertakings		**30,857**		180,536	
Repayments to Group Undertakings		**(10)**		(146,800)	
Net cash from financing activities			27,747		33,736
Net increase/(decrease) in cash and cash equivalents			**14,294**		(1,623)
Cash and cash equivalents at the start of the year			**584**		2,207
Cash and cash equivalents at the end of the year			**14,878**		584

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

CNH Industrial Capital Europe Limited is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is on page 3. The nature of the Company's operations and its principal activities are the provision of finance by way of leasing arrangements, loans and stocking to customers throughout the UK. The Company is wholly owned by CNH Capital Europe SAS.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

1. ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and the Companies Act 2006 as applicable to companies reporting under IFRS.

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Management are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

The director's have received confirmation that as a member of the BNP Paribas Lease Group, the Company forms part of the group's strategy. As such they have received assurances that they will continue to be funded as part of the Group.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received for goods and services provided in the normal course of business. Revenue includes interest income arising from finance lease receivables, interest income arising from financial assets and income from the disposal of recovered assets, which are subject to lease arrangements. Revenue is stated net of any discounts, value-added taxes and other sales taxes.

Leases - Lessor Accounting

Leases contracted by the Company as lessor are categorised as either finance leases or operating leases.

Finance Leases

In a finance lease, the lessor transfers substantially all the risks and rewards of ownership of an asset to the lessee. It is treated as a loan made to the lessee to finance the purchase of the asset.

The present value of the lease payments, plus any residual value, is recognised as a finance lease receivable. The lease payments are spread over the lease term, and are allocated to reduce the principal and interest such that the net income reflects a constant rate of return on the net investment outstanding in the lease. The rate of interest used is the rate implicit in the lease. Finance lease income allocated to accounting periods is taken to the Statement of Comprehensive Income as "Interest Income".

Individual and collective impairments of finance lease receivables are determined using the same principles as applied to financial asset loans and receivables.

Operating Leases

An operating lease is a lease under which substantially all the risks and rewards of ownership of an asset are not transferred to the lessee. The Company does not hold any operating leases.

Recovered Assets Subject to Lease Arrangements

Assets, which are subject to lease arrangements, and that have been surrendered to the Company are shown in Inventory at the lower of net book value or net realisable value at the date of surrender. These assets are held with the intention of resale. Revenue relating to the disposal of recovered assets is recognised upon the transfer of legal title of the asset.

Financial Assets - Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value, plus directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise loans due from customers, other receivables and cash and cash equivalents.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Where applicable, bank overdrafts are included within Borrowings in current liabilities of the Statement of Financial Position.

Impairment of Financial Assets

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between is carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

Financial Liabilities and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities measured at amortised cost comprise amounts due to group undertakings and other payables.

Income and expenses arising from financial assets and financial liabilities

Income and expenses arising from financial instruments measured at amortised cost are recognised in the profit or loss using the effective interest rate method.

The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the asset or liability in the Statement of Financial Position. The effective interest rate calculation takes into account all fees received or paid that are an integral part of the effective interest rate of the contract, transaction costs, premiums and discounts.

The effective interest rate method used by the Company to recognise service-related fee income and expenses depends on the nature of the service. Fees treated as an additional component of interest is included in the effective interest rate, and is recognised in profit or loss in "Interest Income or Interest Expense". Fees payable or receivable on execution of a significant transactions is recognised in the profit or loss account in full on execution of the transaction, under "Fee Income or Costs from Operations". Fees payable or receivable for recurring services is recognised over the term of the service, also under "Fee Income or Cost from Operations".

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax rates used in the determination of deferred income tax are the rates which are expected to apply when the asset is realised or the liability settled, based on the tax rates that have been substantially enacted at the reporting date of that period. They are not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Critical Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

This applies to:

- Impairment provisions recognised on finance lease receivables

- Impairment provisions recognised on loans due from customers.

Group Undertakings

The immediate holding Company is CNH Capital Europe SAS, which is incorporated and registered in France. The ultimate parent Company is BNP Paribas SA, which is registered in France.

Dividends

Dividends are recognised when they become legally payable, this is when declared by the directors.

Standards, amendments and interpretations adopted during the year

During the year, the following new standards, amendments and interpretations have become effective:

- IAS 1 (amendment) 'Presentation of Financial Statements' - Revision to items presented within Other Comprehensive Income

- IAS 19 (amendment) 'Employee Benefits' - Revision to post-employment benefits and termination benefits

- IFRS 13 'Fair Value Measurement'

- Annual Improvements 2009-2011 Cycle

- IFRS 7 (amendment) 'Financial instruments: Disclosure' Offsetting financial assets and financial liabilities, and IAS 32 (amendment) 'Financial Instruments: Presentation'

None of these standards, amendments or interpretations had a material impact on these financial statements upon first-time adoption.

Standards, amendments and interpretations in issue, but not yet effective

At the date of authorisation of these financial statements the following standards, amendments and interpretations were in issue but not yet effective. These standards, amendments, and interpretations have not been adopted early and have not been applied to these financial statements:

- IFRS 10 'Consolidated Financial Statements' – effective for accounting periods beginning on or after 1 January 2014

- IFRS 11 'Joint Arrangements' – effective for accounting periods beginning on or after 1 January 2014

- IFRS 12 'Disclosure of Interests in Other Entities' – effective for accounting periods beginning on or after 1 January 2014

- IAS 27 'Separate Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' (Revised) – effective for accounting periods beginning on or after 1 January 2014

- IFRS 10 (amendment) 'Consolidated financial statements', IFRS 11 (amendment) 'Joint arrangements' and IFRS 12 (amendment) 'Disclosure of interest in other entities', transition guidance – effective on or after 1 January 2014

- IAS 36 'Impairment of Assets' (amendment) for the Recoverable Amount Disclosures for Non-Financial Assets - effective for accounting periods beginning on or after 1 January 2014

- IAS 39 'Financial Instruments: Recognition and Measurement (amendment) for novation of derivatives - effective for accounting periods beginning on or after 1 January 2014

- Annual Improvements 2010-2012 Cycle - effective for accounting periods beginning on or after 1 July 2014

- Annual Improvements 2011-2013 Cycle - effective for accounting periods beginning on or after 1 July 2014

- IAS 19 'Employee Benefits' (amendment) to Employee Contributions - effecitve for accounting periods beginning on or after 1 July 2014

- IFRS 14 'Regulatory Deferral Accounts' - effective for accounting periods beginning on or after 1 January 2016

- IFRS 9 'Financial Instruments' - effective date is on or after 1 January 2018.

The standards, amendments, and interpretations, which are relevant to the Company, and may have a material effect on the Company's forthcoming financial statements are as follows. The adoption of all other standards, amendments, and interpretations are not expected to have a material impact.

IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and a subsequent addition was issued in October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost, with the determination required to be made at initial recognition. The classification must depend on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, IFRS 9 retains most of the IAS 39 requirements. The main change is in relation to accounting for the part of a fair value change of a financial liability, which is due to an entity's own credit risk; this being required to be recorded in Other Comprehensive Income rather than profit or loss, unless this creates an accounting mismatch.

In November 2013 a further addition was issued to IFRS 9 that firstly, incorporates new hedge accounting requirements into the Standard and secondly, permits the early application of the requirements for presenting in Other Comprehensive Income the 'own credit' gains or losses on financial liabilities designated under the fair value option; this being permitted without early applying the other requirements of IFRS 9.

In addition, IFRS 9 (2013) includes an amendment to remove the mandatory effective date of 1 January 2015 for IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open but allowing each version of the standard to be available for application.

The Company is yet to full assess the impact of IFRS 9, however it is not expected to be significant given the types and nature of financial instruments that are held by the Company. A full assessment will be carried out when the remaining phases of IFRS 9 are issued.

2. REVENUE

	2013	2012
	£'000	£'000
Interest income		*As restated
Interest income from finance lease receivables	**18,610**	16,934
Other Revenue	**58**	-
	18,668	16,934
Disposal of recovered assets	**22,431**	20,071
	41,099	37,005

All interest income is derived from the United Kingdom.

* Interest income from finance lease receivables has been increased by £2,413,000 to show interest income gross before commissions.

3. INTEREST EXPENSE

	2013	2012
	£'000	£'000
Interest payable to group undertaking	**(6,524)**	(6,638)
	(6,524)	(6,638)

Interest payable to group undertakings is payable on loans advanced by related parties in the BNP Paribas Group. Interest is charged on these loans on normal commercial terms (see note 18).

4. COSTS FROM OPERATIONS

	2013 £'000	2012 £'000 *As restated
Book value of assets disposed	**(22,406)**	(20,037)
Impairment losses on finance lease receivables	**(591)**	(266)
Commissions	**(2,747)**	(2,413)
Bad debt provision on finance lease receivables	**-**	(231)
	(25,744)	(22,947)

* Commissions has been increased by £2,413,000 to show interest income from finance lease receivables gross before commissions.

5. FEE INCOME

	2013 £'000	2012 £'000
Sales Retentions	**5**	38
Other Fees	**422**	684
	427	722

6. ADMINISTRATION EXPENSES

	2013 £'000	2012 £'000
Management Charges	**(632)**	(323)
Interest on tax overpaid	**-**	5
Other Costs	**(1,042)**	(1,104)
Operating Expenses	**(1,674)**	(1,422)

Emoluments of Directors

None of the directors received remuneration from the Company. All directors were employed by other group companies from which they received their remuneration.

7. AUDITOR'S REMUNERATION

	2013 £'000	2012 £'000
Fees payable to the Company's auditor for the audit of the Company	**(13)**	(16)

8. DIVIDENDS

A final dividend was paid to shareholders during the year ended 31 December 2013 of £3.1 million relating to the 31 December 2012 results. (2012: £nil).

9. TAXATION

a) Analysis of charge in year

Arising from continuing operations	**2013**	2012
	£'000	£'000
Current Tax		
UK Corporation tax on profits of the current year	**(1,923)**	(1,542)
Current Tax Expense	**(1,923)**	(1,542)
Deferred Tax (see note 16)	**322**	(27)
Current Tax on Profit	**(1,601)**	(1,569)

Corporation Tax is calculated at 23.25% (2012: 24.50%) of the estimated taxable profit for the year.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2013	2012
	£'000	£'000
Profit on ordinary activities before tax	**7,584**	6,720
Profit on ordinary activities at the UK standard rate of corporation tax of 23.25% (2012: 24.50%)	**(1,763)**	(1,646)
Tax effect of expenses that are not deductible	**(88)**	(53)
Other timing differences	**182**	-
Rate change to opening deferred tax balance	**42**	-
Rate change to current year deferred tax	**26**	130
Current tax charge for the year:	**(1,601)**	(1,569)

10. CASH AND CASH EQUIVALENTS

	2013	2012
	£'000	£'000
Balances held at Barclays bank	**1,078**	584
Money held on deposit	**13,800**	-
As at 31 December	**14,878**	584

11. FINANCE LEASE RECEIVABLES

Loans and Receivables due from Customers

	2013 £'000	2012 £'000
Loans due from Customers	**125**	76
Finance Lease receivables	**293,246**	249,486
Total of loans and receivables due from customers before impairment	**293,371**	249,562
Impairment of finance lease receivables	**(1,636)**	(1,425)
Total of loans and receivables due from customers net impairment provisions	**291,735**	248,137

	2013 £'000	2012 £'000
Finance Lease Receivables		
Gross Investment	**308,215**	271,339
Receivable within 1 year	**148,177**	141,922
Receivable between 1 and 5 years	**153,753**	128,474
Receivable after 5 years	**6,285**	943
Unearned Interest Income	**(14,969)**	(21,853)
Net Investment before impairment provisions	**293,246**	249,486
Receivable within 1 year	**140,980**	129,549
Receivable between 1 and 5 years	**146,286**	119,026
Receivable after 5 years	**5,980**	911
	293,246	249,486
Impairment Provisions	**(1,636)**	(1,425)
	291,610	248,061

The cost of the assets acquired during the year for onwards finance leasing was £189,258,000 (2012:£177,048,000)

Lease agreements in which the other party, as lessee, is to be regarded as the economic owner of the leased assets give rise to accounts receivable in the amount of the discounted future lease payments. These receivables amounted to £293,246,000 as at 31 December 2013 (2012: £249,486,000) and will bear interest income until their maturity dates of £14,969,000 (2012: £21,852,850). As at 31 December 2013, the provisions against the receivables under finance leases and hire purchase receivables amounted to £1,635,564 (2012: £1,424,715).

The movement on the provision for impairment of trade receivables is as follows:

	2013 £'000	2012 £'000
As at 1st January	**1,425**	928
Increase in provisions	**422**	505
Amounts written off	**(211)**	(8)
As at 31st December	**1,636**	1,425

12. LOANS DUE FROM CUSTOMERS

		2013 £'000	2012 £'000
Short term loans to customers	- Current assets	**61**	76
	- Non-current assets	**64**	-
		125	76

13. OTHER RECEIVABLES

	2013 £'000	2012 £'000
Prepayments and other debtors	**21,793**	13,027

14. OTHER PAYABLES

	2013 £'000	2012 £'000
Corporation tax payable	**1,043**	233
Accruals and other payables	**28,229**	7,893
	29,272	8,126

15. AMOUNTS OWED TO GROUP UNDERTAKINGS

	Notes	2013 £'000	2012 £'000
Amount owed to Group Undertakings - non-current		**132,066**	102,700
Amount owed to Group Undertakings - current liability		**135,732**	134,241
	18	**267,798**	236,941

All bank loans and overdrafts are owed to related parties in the BNP Paribas Group and have been classified as financial liabilities measured at amortised cost.

16. DEFERRED TAXATION

Deferred tax has been provided in full at 21% (2012: 24%) as follows:

	2013	2012
	£'000	£'000
Excess of tax allowances over book depreciation	**-**	166
Deferred tax assets	**-**	166

	2013	2012
	£'000	£'000
Excess of tax allowances over book depreciation	**1,471**	2,586
Short term timing Difference	**627**	-
At 31 December Liability	**2,098**	2,586

Reconciliation of movement in deferred taxation

		2013	2012
		£'000	£'000
Opening balance as at 1 January		**2,420**	2,393
(Credit)/charge to profit or loss in the year	9	**(322)**	27
Closing balance as at 31 December		**2,098**	2,420

17. CALLED-UP SHARE CAPITAL

	2013	2012
	£'000	£'000
Allotted, called-up and fully-paid		
9,000,000 ordinary shares of £1 each	**9,000**	9,000

The Company is a wholly owned subsidiary of CNH Capital Europe SAS, a Company registered and incorporated in France, which is in turn a joint operation of BNP Paribas Lease Group SA which owns 50.1% of the share capital of the Company and CNH Global NV which owns 49.9% of the share capital of the Company. Both investors have been disclosed in the financial statements as related parties.

18. RELATED PARTY TRANSACTIONS

Ignoring the effect of the transfer of trades from fellow group entities:-

During the year the Company entered into the following transactions with related parties who are members of the Group:

	Notes	2013	2012
		£'000	£'000
BNP Paribas - Interest expense		**6,524**	6,638
BNP Paribas Leasing Solutions Ltd - Management charges		**632**	323
		7,156	6,961

	Notes	2013	2012
Amounts due to group undertakings			
		£'000	£'000
BNP Paribas		**267, 366**	234,743
BNP Paribas Leasing Solutions		**432**	2,198
	15	**267,798**	236,941

BNP Paribas London Branch is a branch of BNP Paribas SA.

All loans and transactions entered into with group undertakings are at arms length rates.
The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts owed by related parties.
Amounts payable to BNP Paribas London Branch carry interest at an effective interest rate of 2.7% (2012: 2.9%) charged on the outstanding loan balances.

The Company does not employ any staff directly with all administration carried out by BNP Paribas Leasing Solutions Ltd, a wholly owned subsidiary of BNP Paribas Lease Group Plc, which in turn is ultimately owned by BNP Paribas Lease Group SA. The Company pays a management charge for the services provided.

No remuneration has been paid to the directors of the Company, in the current or prior year. The directors are considered to be the key management personnel.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Interest Rate Risk
- Foreign Currency Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits.

The Company manages its capital in order to safeguard its ability to continue as a going concern and in order to provide adequate returns for equity holders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid or issue new ordinary share capital.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

The Company's review includes external ratings when available.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of finance lease receivables and loan receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The Company's maximum exposure to credit risk is the carrying value of the financial assets held at the reporting date.

The directors have reviewed the credit worthiness of the loans and receivables that are not past due nor impaired. It is considered that no further allowances for impairment are required against these amounts as they are deemed to be of sufficient credit quality given the credit management procedures that are carried out upon initial acceptance of the customer.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table represents, for the accounting scope, the carrying amount of the financial assets that are past due but not impaired (by age of past due), impaired assets and related collateral or other security. The amounts shown are stated before any provision on a portfolio basis.

Balances in Arrears

Year Ended 31 December 2013

	Not past due £'000	0-29 days £'000	30-59 days £'000	60 - 89 days £'000	Over 90 days £'000	Total £'000
Finance Leases	292,116	410	288	193	239	293,246
Loans to Customers	125	-	-	-	-	125
	292,241	410	288	193	239	293,371

Year Ended 31 December 2012

	Not past due £'000	0-29 days £'000	30-59 days £'000	60 - 89 days £'000	Over 90 days £'000	Total £'000
Finance Leases	243,066	5,289	541	402	188	249,486
Loans to Customers	76	-	-	-	-	76
	243,142	5,289	541	402	188	249,562

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to borrow from BNP Paribas, a related party, at a fixed rate matching fixed rate lending. Access to sources of funding is sufficiently available and debt maturing within 12 months can be replaced with Group companies.

Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by funding the loans with fixed rate funding within the Group. Finance lease receivables and loans due to customers are at fixed rate and as a result the Company has a limited exposure to variable rates of interest.

Since all loans are borrowed at a fixed rate at the time of the financing the interest sensitivity is minimal.

Foreign Currency Risk

Foreign exchange risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to this risk as it does not transact with overseas companies or operate in overseas countries. The Company's exposure to foreign exchange risk is therefore not considered to be significant and accordingly sensitivity analysis information has not been provided.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maturity Profile of Assets and Liabilities

The tables below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments.

Financial Assets

Year Ended 31 December 2013

	Less than 3 months £'000	**3 - 12 months £'000**	**1 to 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Finance Lease Receivables	**51,862**	**96,315**	**153,753**	**6,285**	**308,215**
Loans due from Customers	**22**	**40**	**63**	**-**	**125**
Other Receivables	**21,793**	**-**	**-**	**-**	**21,793**
	73,677	**96,355**	**153,816**	**6,285**	**330,133**

Year Ended 31 December 2012

	Less than 3 months £'000	3 - 12 months £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Finance Lease Receivables	51,057	90,850	128,490	942	271,339
Loans due from Customers	76	-	-	-	76
Other Receivables	13,027	-	-	-	13,027
	64,160	90,850	128,490	942	284,442

Financial Liabilities

Year Ended 31 December 2013

	Less than 3 months £'000	**3 - 12 months £'000**	**1 to 5 years £'000**	**Over 5 years £'000**	**Total £'000**
Other Payables	**28,229**	**-**	**-**	**-**	**28,229**
Amounts due to Group Undertakings	**44,698**	**91,700**	**131,300**	**100**	**267,798**
	72,927	**91,700**	**131,300**	**100**	**296,027**

Year Ended 31 December 2012

	Less than 3 months £'000	3 - 12 months £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Other Payables	7,893	-	-	-	7,893
Amounts due to Group Undertakings	50,113	83,903	102,925	-	236,941
	58,006	83,903	102,925	-	244,834

20. PARENT AND ULTIMATE CONTROLLING PARTY

CNH Capital Europe SAS is the immediate parent of the Company, which is incorporated and registered in France.

The ultimate parent Company is BNP Paribas SA, which is registered in France.

The smallest group in which the results of the Company are consolidated is that headed by CNH Capital Europe SAS. Financial statements for that Company are available to the public and may be obtained from Direction Internationale, Le Metropole, 46-52 rue Arago, 92800 Puteaux, France.

The largest group in which the results of the Company are consolidated is that headed by BNP Paribas SA. The consolidated financial statements of BNP Paribas SA are available to the public and may be obtained from 16 Boulevard des Italians, 75009, Paris, France.

21. EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the reporting period.