

Handwritten signature

IVECO

Iveco Contract Services Limited

Report and Financial Statements

31 December 2009

THURSDAY



A99IPNG2

A19

16/09/2010

221

COMPANIES HOUSE

Iveco Contract Services Limited

Report and financial statements 2009

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Statement of accounting policies	9
Notes to the financial statements	12

Iveco Contract Services Limited

Directors' report For the year ended 31 December 2009

Directors

F Augusto
S M McCarthy
H C VanLeuven

Secretary

S M McCarthy

Registered Office

Iveco House
Station Road
Watford
Herts
WD17 1SR

Bankers

Barclays Bank PLC

Solicitors

Barlow, Lyde & Gilbert

Auditors

Deloitte LLP
Chartered Accountants
London

Iveco Contract Services Limited

Directors' report

For the year ended 31 December 2009

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditors' report for the year ended 31 December 2009

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985.

Principal activities

The principal activities of the company are the provision of contract hire facilities and other services in relation to commercial vehicles, which are principally, but not exclusively, distributed by Iveco Limited

Review of business

It was decided in June 2003 to cease writing any new business and allow the existing leases to run off until 2013. Although Iveco considered the termination of all remaining leases and closing the business, it was decided that for commercial reasons the business should continue for the next few years as there are a number of customers with whom Iveco wishes to maintain a wider relationship.

The financial statements have been prepared on a basis other than a going concern

Results and dividends

The directors do not recommend the payment of a dividend (2008: £nil). The profit after taxation for the financial year of £2,874,000 (2008: £1,394,000) will be transferred to reserves.

Deferred Tax

The Deferred tax asset relates mainly to capital allowances, which can be used to create a taxable loss, and that loss will be surrendered to a related party in the future years

Iveco Contract Services Limited

Directors' report (continued) For the year ended 31 December 2009

Auditors

Each of the directors confirms that

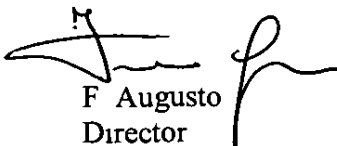
- So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware
- The directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This information is given and should be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

The directors will place a resolution before the annual general meeting to reappoint Deloitte LLP as auditors for the ensuing year

Iveco House
Station Road
Watford
Hertfordshire
U.K WD17 1SR

By Order of the Board


F Augusto
Director

Iveco Contract Services Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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,
- UK accounting standards have been followed,
- prepare the financial statements on a other than going concern basis

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Iveco Contract Services Limited

We have audited the financial statements of Iveco Contract Services Ltd for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, statement of accounting policies and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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 auditors' report to the members of Ivco Contract Services 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

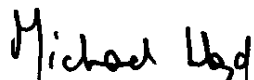
Opinion

In our opinion

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of matter-Financial Statements prepared on a basis other than going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in the statement of accounting policies, which explains that the financial statements have been prepared on a basis other than a going concern



Michael Lloyd (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

Date 5 July 2010

Iveco Contract Services Limited

Profit and loss account for the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Turnover	1	856	2,975
Cost of sales		(936)	(3,010)
Gross loss		(80)	(35)
Other operating income	2	2,167	1,796
Operating profit		2,087	1,761
Interest receivable from group companies		31	192
Interest payable and similar charges	5	(1)	(1)
Profit on ordinary activities before taxation	6	2,117	1,952
Tax credit / (charge)	7	757	(558)
Profit on ordinary activities after taxation and retained loss for the financial year	15,16	2,874	1,394

There are no recognised losses in the current or prior year, other than those included in the results above and therefore no separate statement of total recognised gains and losses has been prepared. All profits arose from continuing operations in both years.

The accompanying notes are an integral part of this profit and loss account.

Iveco Contract Services Limited

Balance sheet At 31 December 2009

	Notes	2009 £'000	2008 £'000
Tangible assets	8	<u>1</u>	<u>48</u>
Current assets			
Inventories	9	-	17
Debtors	10	3,551	8,629
Deferred tax asset	11	3,248	2,581
Cash at bank		<u>-</u>	<u>26</u>
		6,799	11,253
Creditors: amounts falling due within one year	12	(924)	(5,776)
Net current assets		<u>5,875</u>	<u>5,477</u>
Total assets less current liabilities		5,876	5,525
Provisions for liabilities and charges	13	(1,094)	(3,617)
Net assets		<u>4,782</u>	<u>1,908</u>
Capital and reserves			
Called up share capital	14	16,400	16,400
Profit and loss account	15	<u>(11,618)</u>	<u>(14,492)</u>
Equity shareholders' funds	16	<u>4,782</u>	<u>1,908</u>

The financial statements of Iveco Contract Services (registration number 2964464) were approved by the board of directors on 29 June 2010. They were signed on its behalf by.


F Augusto

The accompanying notes are an integral part of this balance sheet

Iveco Contract Services Limited

Statement of accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current year and the preceding year. The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

Basis of Preparation

As explained in the directors' report, the company has ceased trading in 2005 and continues to service the existing contracts until 2013. These financial statements have been prepared on a basis other than of a going concern. This does not have any effect on the assets/liabilities of the company which will be realised and settled in the normal course of business. Provision has also been made for onerous contractual commitments at the balance sheet date.

Cash flow statement

The company has taken advantage of the exemption available under FRS 1 (Revised) not to prepare a cash flow statement as its ultimate parent company Istituto Finanziario Industriale SpA, prepares consolidated accounts which are publicly available and which include a consolidated cash flow statement.

Related party transactions

As a subsidiary within the Fiat group the company has taken advantage of the exemption in FRS 8 'Related party disclosures' not to disclose transactions with other members of the Fiat group since it is a wholly owned subsidiary of the group.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at the date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

The company does not hold any non-monetary assets or liabilities denominated in foreign currencies.

Iveco Contract Services Limited

Statement of accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Operating lease assets are included under fixed assets and the asset value is depreciated on a straight-line basis over the term of the lease. Depreciation is provided on all tangible fixed assets, other than operating lease assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, at the following annual rates:

Office and computer equipment	25 – 33 $\frac{1}{3}$ % per annum
Commercial vehicles	Over the contract hire life

Turnover

Turnover represents rentals due under contract hire agreements which are accounted for as investment in operating leases. Turnover is credited to the profit and loss account on a straight-line basis over the duration of the related contract hire agreement.

Current Taxation

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted by the balance sheet date.

Deferred taxation

The company complies with the provisions of FRS 19 Deferred taxation. Therefore deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Iveco Contract Services Limited

Statement of accounting policies (continued)

Deferred taxation (continued)

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Provision is made for deferred taxation, using the full provision method, on all timing differences. An asset is recognised to the extent that it is more likely than not that the asset will be recovered. Deferred tax is measured on a non-discounted basis.

Pension funding

The company participates in two group contributory pension schemes, the Iveco Pension Scheme and the Iveco Senior Pension Scheme. One of these is of the defined contributory type and the other is a money purchase scheme. Both are operated by another group company, Iveco Ltd.

It is not possible to identify the share of the underlying assets and liabilities in the defined benefit scheme that are attributable to the company on a consistent and reasonable basis. Therefore, the company has applied the provisions in FRS 17 "Retirement Benefits" to account for the scheme as if it was a defined contribution scheme.

For the defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Inventory

Inventory represents vehicles no longer held under operating leases and is stated at the lower of cost or net realisable value. Cost represents depreciated value of the vehicles. NRV is resale value less expenses. Inventory vehicles are amortised in full over a year or until they undergo buyback from Iveco Limited or the third-party fund provider.

Iveco Contract Services Limited

Notes to the financial statements Year ended 31 December 2009

1) Turnover

	2009 £'000	2008 £'000
Operating lease income	<u>856</u>	<u>2,975</u>

The directors consider this turnover as one class of trade, all of which arises in the United Kingdom

2) Other operating income

	2009 £'000	2008 £'000
Administrative expenses	272	644
Provision for Onerous contracts	(1,833)	(2,440)
Provision for Litigation	<u>(606)</u>	<u>-</u>
	<u>(2,167)</u>	<u>(1,796)</u>

3) Directors' emoluments

No Directors received any compensation for loss of office during the year (2008: £nil)

The directors do not receive any other remuneration for their services to the company in the current or prior year. The remuneration paid by other group companies for their services as directors of this company has been apportioned as £nil (2008: £nil)

There are no retirement benefits accruing to any director (2008: none) under a defined benefit or money purchase scheme

Iveco Contract Services Limited

Notes to the financial statements (continued) Year ended 31 December 2009

4) Employee information

The average monthly number of persons (including executive directors) employed by the company during the period was

	2009 Number	2008 Number
By activity		
Administration	3	9
	<u>3</u>	<u>9</u>
	2009 £'000	2008 £'000
Staff costs for the above persons:		
Wages and salaries	235	362
Social security costs	20	32
Other pension costs (note 18)	13	20
	<u>268</u>	<u>414</u>

5) Interest payable and similar charges

	2009 £'000	2008 £'000
Bank charges	<u>1</u>	<u>1</u>

6) Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2009 £'000	2008 £'000
Profit on disposal of commercial vehicles	(66)	(254)
Depreciation of tangible fixed assets	26	116
Auditors' remuneration for audit fee only	<u>17</u>	<u>27</u>

Iveco Contract Services Limited

Notes to the financial statements (continued) Year ended 31 December 2009

7) Tax on profit on ordinary activities

	2009 £'000	2008 £'000
Current tax		
- Current year 28% (2008 28.5%)	-	(195)
- In respect of prior years	(90)	21
Total current tax	(90)	(174)
Deferred tax		
Origination and reversal of timing differences	12	739
Adjustment in respect of prior year	(679)	(7)
Total deferred tax (see note 11)	(667)	732
Total tax charge on profit on ordinary activities	(757)	558

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

	2009 £'000	2008 £'000
Profit / (Loss) on ordinary activities before tax	2,117	1,952
Profit / (Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	593	556
Effects of		
Expenses not deductible for tax purposes	1	1
Capital allowances in excess of depreciation	(12)	(752)
Utilisation of tax losses	(582)	-
Prior year adjustment	(90)	21
Group current tax charge for the period	(90)	(174)

Iveco Contract Services Limited

Notes to the financial statements (continued) Year ended 31 December 2009

8) Tangible fixed assets

	Office and computer equipment £'000	Commercial vehicles £'000	Total £'000
Cost			
At 1 January 2009	609	108	717
Additions	-	7	7
Disposals	-	(98)	(98)
At 31 December 2009	609	17	626
Depreciation			
At 1 January 2009	609	60	669
Charge for the year	-	26	26
Disposals	-	(70)	(70)
At 31 December 2009	609	16	625
Net book value			
31 December 2009	-	1	1
31 December 2008	-	48	48

All commercial vehicles are leased out under operating leases and give rise to the income detailed in note 1.

9) Inventories

	2009 £'000	2008 £'000
Vehicles in stock	-	17

Iveco Contract Services Limited

Notes to the financial statements (continued) Year ended 31 December 2009

10) Debtors

	2009 £'000	2008 £'000
Trade debtors	53	341
Amounts owed by group undertakings	3,472	8,267
VAT	-	18
Other debtors	1	1
Prepayments and accrued income	25	2
Closing balance	<u>3,551</u>	<u>8,629</u>

11) Deferred tax

Movement on deferred taxation balance in the period

	2009 £'000	2008 £'000
Opening Balance	2,581	3,313
Credit/ (Charge) to profit and loss account	667	(732)
Closing balance	<u>3,248</u>	<u>2,581</u>

Analysis of Deferred tax balance

	2009 £'000	2008 £'000
The full potential deferred tax asset of the company is:		
In relation to capital allowances	3,248	2,581
	<u>3,248</u>	<u>2,581</u>

There is no deferred tax liability arising at 31 December 2009 or 31 December 2008. The IVECO Holdings Ltd group is forecast to make sufficient profits in future years, against which the company will be able to utilise the deferred tax asset.

Iveco Contract Services Limited

Notes to the financial statements (continued) Year ended 31 December 2009

12) Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	-	125
Amounts owed to group undertakings	155	4,292
V A T	8	-
Taxation and social security	3	7
Other Creditors	-	1
Accruals and deferred income	758	1,351
	<u>924</u>	<u>5,776</u>

13) Provisions for liabilities and charges

	At 1 Jan 2009 £'000	Charged to profit and loss £'000	Utilised £'000	At 31 Dec 2009 £'000
Provision for litigation	1,161	(606)		555
Provision for Restructuring	178		(84)	94
Provision for Jewsons	275			275
Provision for Onerous contracts	1,933	(1,833)		100
Provision for QSP upgrade	70			70
Total	<u>3,617</u>	<u>(2,439)</u>	<u>(84)</u>	<u>1,094</u>

Provision for future losses relates to the expected shortfall between repair and maintenance revenue and expenditure over the life of the existing contracts until 2012. No reimbursement is expected for this shortfall.

Iveco Contract Services Limited

Notes to the financial statements (continued) Year ended 31 December 2009

14) Called up share capital

	2009 £'000	2008 £'000
Authorised		
16,000,000 Ordinary 'A' shares of £1 each	16,000	16,000
1,000,000 Ordinary 'B' shares of £1 each	1,000	1,000
	<u>17,000</u>	<u>17,000</u>
Allotted, called-up and fully paid		
15,700,000 Ordinary 'A' shares of £1 each fully paid	15,700	15,700
700,000 Ordinary 'B' shares of £1 each fully paid	<u>700</u>	<u>700</u>
	<u>16,400</u>	<u>16,400</u>

£300,000 Ordinary 'A' share of £1 each and £300,000 Ordinary 'B' shares of £1 each have been allotted but are unpaid as they are deferred subject to the obligations of the company to maintain its solvency in accordance with board resolution dated February 1998

£15,000,000 additional class A ordinary class of £1 each were issued at par on the 30th June 2005. There is no difference between class A and B shares except that the holders of each class have the right to appoint up to four directors and to remove them

15) Profit and loss account

	2008 £'000
At 1 January 2009	(14,492)
Profit for the financial year	2,874
At 31 December 2009	<u>(11,618)</u>

Iveco Contract Services Limited

Notes to the financial statements (continued) Year ended 31 December 2009

16) Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Opening shareholders' funds	1,908	514
Profit for the financial year	2,874	1,394
Closing shareholders' funds	<u>4,782</u>	<u>1,908</u>

17) Other financial commitments

The company has entered into a cross-guarantee arrangement with other UK Fiat group Companies within the Fiat central cash management system whereby the company has guaranteed all liabilities and obligations by those companies to their bankers and vice versa.

18) Pension arrangements

The Company provides pension arrangements for its full time employees through group schemes, both defined contribution and defined benefit

The defined benefit scheme is a multi-employer scheme and the directors have concluded that they are unable to identify the Company's share of the underlying assets and liabilities in the schemes on a consistent and reasonable basis and therefore have accounted for the schemes as defined contribution schemes in accordance with FRS 17

A full actuarial valuation of the schemes was carried out at 31 March 2005 and updated to 31 December 2009 by a qualified actuary Details of these valuations are as follows

	2009 £'000	2008 £'000	2007 £'000
<u>Iveco Pension Scheme</u>			
Total market value of assets	100,512	95,200	107,070
Present value of scheme liabilities	<u>(117,386)</u>	<u>(101,792)</u>	<u>(116,076)</u>
Deficit in the scheme	(16,874)	(6,592)	(9,006)
Related deferred tax asset	4,724	1,978	2,702
Net pension deficit	<u>(12,150)</u>	<u>(4,614)</u>	<u>(6,304)</u>

Iveco Contract Services Limited

Notes to the financial statements (continued) Year ended 31 December 2009

12. Pension arrangements (continued)

Key assumptions for both schemes were

Rate of increase in pensions payment	3 40%	3 10%	3 25%
Rate of increase in salaries	4 25%	3 85%	3 50%
Inflation assumption	3 50%	3 10%	3.25%
Discount rate	5 75%	6 50%	5 60%

The company's regular pension charge for the year was £12,593
(2008: £20,214)

19) Ultimate parent company

The directors regard Istituto Finanziario Industriale SpA, a company incorporated in Italy, as the ultimate parent company and controlling party

Iveco SpA is the immediate parent undertaking of the smallest group of which the company is a member and for which group accounts are drawn up
Consolidated accounts of Iveco SpA may be obtained from Iveco SpA, Prof Bavincklaan 5, Amstelveen 1183 AT, The Netherlands.

Iveco SpA is "a" 100% subsidiary of Fiat Nederland Holding N.V, itself a holding of Fiat SpA, a company incorporated in Italy, which is controlled by Istituto Finanziario Industriale SpA. Istituto Finanziario Industriale SpA a company incorporated in Italy is the parent company of the largest group of which the company is a member and for which group accounts are available from Corso G Matteotti 26, 10121 Turin, Italy