
Ford LRH

Registered in England & Wales

**Annual Report and Financial Statements
for the Year Ended 31 December 2009**



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DIRECTORS AND ADVISORS

DIRECTORS

R Anderson
C Bailey
P Kiernan

COMPANY SECRETARY

C Page

REGISTERED OFFICE

Room 1-447
Ford Central Office
Eagle Way
Brentwood, Essex
CM13 3BW

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

DIRECTORS' REPORT

for the year ended 31 December 2009

The directors submit the annual report and audited financial statements for the year ended 31 December 2009 for Ford LRH

PRINCIPAL ACTIVITIES

The principal activity of the company is to provide intra-group funding

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The company intends to maintain funds on deposit for the foreseeable future

On 1 June 2009 the Board resolved the final valuation on the sale of Land Rover and recorded a reduction of £216,460,920 84 Ford LRH recognised and accepted that once the final balance sheets and valuations of Land Rover and Jaguar Cars Limited were available the amount derived from the sale of Land Rover would require adjustment. Consequently the company has incurred a reduction in sale proceeds of £216,460,920 84 in 2009. Of this, £202,696,512 05 was provided against in 2008.

During the course of 2009 the share premium was fully extinguished and the share capital reduced to £1

RESULTS AND DIVIDENDS

The results of the Company for the year ended 31 December 2009 are set out on page 5. A dividend of £65 8m (2008 £Nil) has been paid in the year, see note 7.

PRINCIPAL RISKS AND UNCERTAINTIES

At the date of signing the financial statements, the directors are not aware of any principal risks and uncertainties affecting the company.

DIRECTORS

The current directors are

R Anderson
C Bailey
P Kiernan

QUALIFYING INDEMNITY PROVISIONS

Qualifying third party indemnity provisions and pension scheme indemnity provisions are in force for the company's directors as of the date of this report and were in force for the duration of 2009.

POLITICAL AND CHARITABLE DONATIONS

The company made no political or charitable donations in the year (2008 £nil)

EMPLOYEES

The company has no employees other than the directors (2008 none)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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.

DIRECTORS' REPORT

for the year ended 31 December 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS (CONTINUED)

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors at the time when the report is approved, the following applies

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

By order of the Board



C. Page
Company secretary

Date: 24/9/10

Registered Office
Room 1-447
Ford Central Office
Eagle Way
Brentwood, Essex
CM13 3BW

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORD LRH

We have audited the financial statements of Ford LRH for the year ended 31 December 2009 which comprise the Profit and Loss Account and the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes and 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 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 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- 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.



Christopher Hibbs (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

28 September 2010

PROFIT AND LOSS ACCOUNT

For the Year Ended 31 December 2009

	Note	2009 £m	2008 £m
Administrative expenses		(8.6)	(202.7)
Other operating income/(expense)		-	0.6
Operating profit/(loss)	2	(8.6)	(202.1)
Loss on disposal of investments		-	(784.3)
Income from shares in group undertakings	3	-	575.4
Interest receivable and similar income	4	11.9	22.7
Profit/(loss) on ordinary activities before taxation		3.3	(388.3)
Tax charge on profit/(loss) on ordinary activities	5	(3.3)	(6.6)
Profit/(loss) for the financial year		-	(394.9)

All activities are continuing

The loss on ordinary activities after taxation is the only recognised gain or loss for the financial years. A separate statement of total recognised gains and losses has therefore not been presented.

There is no difference between the profit/(loss) for the financial years and the historical cost equivalent.

BALANCE SHEET

As at 31 December 2009

	Note	2009 £m	2008 £m
Fixed Assets			
Investments		-	-
Current Assets			
Debtors	8	11.9	74.3
Creditors: Amounts falling due within one year	9	(10.0)	(6.6)
Net Current Assets		1.9	67.7
Total Assets Less Current Liabilities		1.9	67.7
Capital and reserves			
Called up share capital	10	-	360.8
Share premium account	11	-	98.1
Capital contributions	11	-	-
Profit and loss account	11	1.9	(391.2)
Total shareholders' funds	12	1.9	67.7

The financial statements on pages 5 to 12 were approved by the board of directors and were signed on its behalf by



R. Anderson
Director

Date: 24/1/2010

Registered number: 4325555

Notes to the financial statements

For the Year Ended 31 December 2009

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

A summary of the more important accounting policies, which have been applied consistently, is set out below

GOING CONCERN

Ford LRH is a subsidiary company, with the ultimate parent being Ford Motor Company, Dearborn, Michigan, USA. Ford LRH is integrated in the worldwide group activities of the Ford Motor Company Group. As a result, the liquidity of Ford LRH is assured as long as the liquidity of the parent company is secured.

The Ford Motor Company 30 June 2010 10Q, published in August 2010, contains no updates in relation to going concern and therefore the directors refer back to the assessment of the liquidity of Ford Motor Company in the 31 December 2009 10K as follows:

"Although the economic environment for 2010 remains uncertain, we believe all reasonably possible scenarios, including a decline in 2010 industry sales volumes to levels below our planning assumptions, would not exhaust our presently available liquidity. Therefore we do not believe that these reasonably possible scenarios cause substantial doubt about our ability to continue as a going concern for the next year.

Accordingly we have concluded that there is no substantial doubt about our ability to continue as a going concern, and our financial statements have been prepared on a going concern basis."

In response to the relationship between Ford LRH and the automotive industry, and on the basis that Ford LRH does not trade, the directors have determined that there are no further risks to the liquidity of Ford LRH.

The directors believe that these reasonably possible scenarios do not cause substantial doubt about Ford LRH's ability to continue as a going concern for the next twelve months and have prepared the accounts using this basis.

Notes to the financial statements

For the Year Ended 31 December 2009 (continued)

1 ACCOUNTING POLICIES (CONTINUED)

FIXED ASSET INVESTMENTS

Fixed asset investments in subsidiaries are stated at cost in the first instance. They are tested for impairment in accordance with Financial Reporting Standard 11 "Impairment of Fixed Assets and Goodwill" ("FRS 11"), and provisions made where necessary.

DEFERRED TAX

In accordance with Financial Reporting Standard No. 19 ("FRS 19") "Deferred Tax", deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future.

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

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities recognised have not been discounted.

CASH FLOW STATEMENT

The exemption allowed under Financial Reporting Standard 1 (revised 1996) "Cash flow statements" ("FRS 1") not to prepare a cash flow statement has been effected in these accounts. The exemption is allowed where a company is more than 90 percent owned by another company whose financial statements are publicly available. The cash flow for the company and the group has been included within the consolidated cash flows of the ultimate parent company.

RELATED PARTY DISCLOSURES

The disclosures required under Financial Reporting Standard 8 "Related Party Disclosures" ("FRS 8") are included in the relevant notes to the accounts where required. Transactions with Ford Motor Company, USA and its subsidiary and associated undertakings are not detailed in these accounts in accordance with FRS 8.

2 OPERATING PROFIT/(LOSS)

	2009 £m	2008 £m
Operating profit/(loss) is stated after charging/(crediting)		
Administrative expenses - Reduction in sale proceeds	(8.6)	202.7
Other operating income - Exchange gain	-	(0.6)
	(8.6)	202.1

Auditors' remuneration was £7,000 (2008: £7,000)

Notes to the financial statements

For the Year Ended 31 December 2009 (continued)

3. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2009 £m	2008 £m
Income from shares in group undertakings	-	575.4
	-	575.4

On 28 May 2008 Land Rover declared and paid a dividend to the company of £575,356,415.48 which represented the initial proceeds on the sale of the Land Rover shares. This was necessarily an estimate before both the completion balance sheet and the relative values of Land Rover and Jaguar Cars Limited became available.

4. INTEREST RECEIVED

	2009 £m	2008 £m
Interest received from group undertakings	11.9	22.7
	11.9	22.7

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

A) ANALYSIS OF CHARGE / (CREDIT) FOR THE YEAR

	2009 £m	2008 £m
Current year group relief charges (see note below)	3.3	6.6
	3.3	6.6

Notes to the financial statements

For the Year Ended 31 December 2009 (continued)

5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

B) FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is higher (2008 Higher) than the standard rate of corporation tax in the UK (2009 28%, 2008 28.5%, 2007 30.0%) The differences are explained below

	2009	2009 £m	2008	2008 £m
Profit / (loss) on ordinary activities before tax		<u>3.3</u>		<u>(388.3)</u>
At standard rate of corporation tax in the UK of 28%	28%	0.9	28.5%	(110.7)
Current year corporation tax charge/(credit) included above	101.6%	3.3	(1.7)%	6.6
Difference	<u>(73.6)%</u>	<u>2.4</u>	<u>30.2%</u>	<u>117.3</u>
Non-deductible loss on investment	-		72.4%	
Non-taxable dividend received	-		(42.2)%	
Non-deductible write-off of receivable	(112.0)%		-	
Non-taxable proceeds from sale of former subsidiary	38.4%			
	<u>(73.6)%</u>		<u>30.2%</u>	

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly the company's profits for this accounting year are taxed at an effective rate of 28% and were taxed at an effective rate of 28.5% in the previous year.

6. EMPLOYMENT DATA

The company had no employees during the year (2008 none)

The Directors of the company are remunerated by Ford Motor Company Limited. The Directors did not receive any emoluments in respect of their services to the company (2008 £nil)

7. DIVIDENDS

A dividend in specie was paid on 23rd June 2009 to Ford Motor Company of Canada Limited of £65.8m (2008 £nil)

8. DEBTORS

	2009 £m	2008 £m
Amounts falling due within one year		
Amounts owed by group undertakings	<u>11.9</u>	<u>74.3</u>
	<u>11.9</u>	<u>74.3</u>

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009	2008
	£m	£m
Group relief payable to group undertakings	10.0	6.6
	<u>10.0</u>	<u>6.6</u>

10. SHARE CAPITAL

	2009	2008
	£m	£m
360,789,235 Ordinary shares of 0.00000000277p each (2008: £1 each)	-	360.8
	<u>-</u>	<u>360.8</u>

11. RESERVES

	Share Premium Account	Profit and Loss Account	Total Reserves
	2009 £m	2009 £m	2009 £m
At 1 January	98.1	(391.2)	(293.1)
Return of capital contribution	-	-	-
Cancellation of share capital	-	360.8	360.8
Cancellation of share premium account	(32.3)	32.3	-
Transfer of share premium to Profit & Loss account	(65.8)	65.8	-
Dividend in specie		(65.8)	(65.8)
Profit/(loss) for the financial year	-	-	-
At 31 December	<u>-</u>	<u>1.9</u>	<u>1.9</u>

12. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009	2008
	£m	£m
At 1 January	67.7	811.8
Profit/(loss) for the financial year	-	(394.9)
Return of Capital Contribution	-	(12.8)
Cancellation of share premium account	-	(336.4)
Dividend in specie	(65.8)	-
At 31 December	<u>1.9</u>	<u>67.7</u>

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

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Ford LRH is a wholly owned direct subsidiary of Ford Motor Company of Canada Limited, a company registered in Canada. The ultimate parent company, and controlling party, is Ford Motor Company, a company incorporated in Delaware, USA. At 31 December 2009, the results of the company are consolidated into the financial statements of Ford Motor Company. Copies of the ultimate parent company's accounts may be obtained from Ford Motor Company, One American Road, Dearborn, Michigan 48126, USA.