

# T.I.P. Europe Limited

## Directors' report and financial statements

For the year ended 31 December 2001

Registered number 02004028



# T.I.P. Europe Limited

## Directors' report and financial statements

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# T.I.P. Europe Limited

## Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2001.

### Principal activities and business review

The principal activity of the company is the provision of trailer rental and leasing facilities.

On 10 July 2001 the company issued 50,000,000 ordinary shares of 5 pence each at a premium of £2.17 per share to GE Capital Corporation Limited for cash.

### Results and dividends

The company made a loss before tax for the year of £ 10,244,000 (2000: £2,937, 000).

The directors do not recommend payment of a final dividend.

### Directors and directors' interests

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

JT Breedlove	
MO Evans	(resigned 31 December 2001)
RJ Barnett	(resigned 1 April 2001)
IG Story	(resigned 25 January 2001)
J Bucci	
D Worrall	
RG Clark	(appointed 17 December 2001)
Mrs PA Green	(appointed 17 December 2001)
RH Hodgkiss	(appointed 25 June 2001, resigned 9 August 2002)
TJ Tuscai	(appointed 25 June 2001)
R Ashton	(appointed 25 January 2001, resigned 13 October 2001)
P Brackenridge	(appointed 1 April 2001, resigned 25 June 2001)
TW Minett	(appointed 1 April 2001, resigned 25 June 2001)
G Tappert	(resigned 9 January 2001)

Since the company meets the definition in s736(2)(3) of the Companies Act 1985 of a wholly owned subsidiary of a body corporate incorporated outside Great Britain, the company has taken advantage of regulation 3 (1)(a) of Statutory Instrument 1985/802 exempting the company from the requirement to disclose directors' share interests and options in group companies

### Employees

The group pays close attention to the health and safety of employees, having particular regard to the provisions of the Health and Safety at Work Act 1974.

The group gives sympathetic consideration to applications for employment vacancies from disabled persons. Successful applicants are given appropriate assistance and training and have the same career prospects as other employees. Should employees become disabled during their employment, every assistance will be given to enable them to continue their career.

The group recognises the benefits of keeping employees informed as to the current business performance. Whilst methods of passing information vary from business to business, examples of communication with employees are staff newspapers and review meetings.

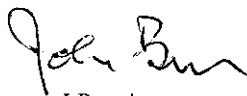
# T.I.P. Europe Limited

## Directors' report *(continued)*

### **Auditors**

Pursuant to a shareholders' resolution, dated 25 June 1996, the company is not obliged to re-appoint auditors of the company annually and KPMG Audit Plc will remain in office.

By order of the board



*J Bucci*  
*Director*

Trafalgar House  
29 Park Place  
Leeds  
LS1 2SP

20 - 1 - 2003

# T.I.P. Europe Limited

## Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. 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;
- state whether applicable accounting standards 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent report of the auditors, KPMG AuditPlc,  
to the members of T.I.P. Europe Limited

We have audited the financial statements on pages 5 to 17.

***Respective responsibilities of directors and auditors***

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

***Basis of opinion***

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

***Opinion***

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

St James' Square  
Manchester  
M2 6DS

*22 January 2003*

# T.I.P. Europe Limited

## Profit and loss account

for the year ended 31 December 2001

	<i>Note</i>	<b>2001</b> <b>£000</b>	<b>2000</b> <b>£000</b>
<b>Turnover</b>	<i>1(b)</i>	<b>69,110</b>	75,928
Cost of sales		<b>(43,487)</b>	(44,123)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>25,623</b>	31,805
Administrative expenses		<b>(23,298)</b>	(25,208)
Write down in carrying value of investment	<i>9</i>	<b>(7,940)</b>	-
Selling and distribution costs		<b>(324)</b>	-
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>		<b>(5,939)</b>	6,597
Interest receivable and similar income	<i>3</i>	<b>4,148</b>	14,634
Interest payable and similar charges	<i>4</i>	<b>(8,453)</b>	(24,168)
		<hr/>	<hr/>
<b>Loss on ordinary activities</b>			
<b>before taxation</b>	<i>5</i>	<b>(10,244)</b>	(2,937)
Tax credit on loss on ordinary activities	<i>6</i>	<b>1,165</b>	2,968
		<hr/>	<hr/>
<b>Retained (loss)/profit for the financial year</b>		<b>(9,079)</b>	31
		<hr/>	<hr/>

The notes on pages 7 to 17 form part of these financial statements.

The movement in reserves is shown in note 14 to these financial statements.

The results in the above profit and loss account relate entirely to continuing operations.

The company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

# T.I.P. Europe Limited

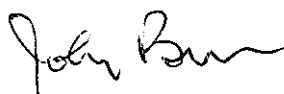
## Balance sheet

at 31 December 2001

	Note	2001 £000	2000 £000
<b>Fixed assets</b>			
Intangible assets	7	26,272	27,872
Tangible assets	8	211,910	230,399
Investments	9	1,893	9,833
		<hr/>	<hr/>
		240,075	268,104
<b>Current assets</b>			
Debtors	10	40,308	130,608
Cash at bank and in hand		5,378	7,737
		<hr/>	<hr/>
		45,686	138,345
<b>Creditors: amounts falling due within one year</b>	11	(31,341)	(252,449)
		<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>		14,345	(114,104)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		254,420	154,000
		<hr/>	<hr/>
<b>Provisions for liabilities and charges</b>	12	(18,951)	(20,463)
		<hr/>	<hr/>
		235,469	133,537
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	13	36,523	34,023
Share premium	14	225,138	116,627
Special reserves	14	27,460	27,460
Profit and loss account	14	(53,652)	(44,573)
		<hr/>	<hr/>
<b>Shareholders' funds</b>	14	235,469	133,537
		<hr/>	<hr/>

The notes on pages 7 to 17 form part of these financial statements.

These financial statements were approved by the board of directors on 20.1.2003 and were signed on its behalf by:



J Bucci  
Director



# T.I.P. Europe Limited

## Notes

*(forming part of the financial statements)*

### 1. Accounting policies

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

#### *(a) Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

#### *(b) Turnover*

Turnover represents the invoiced value excluding VAT of the company's goods and services and arose totally in the United Kingdom.

#### *(c) Tangible fixed assets*

Fixed assets are shown at cost.

Depreciation is provided on fixed assets at rates calculated to write off the cost, less an appropriate residual value of up to 25% of the original cost, over their expected useful lives on a straight line basis as follows:

Freehold buildings	-	50 years
Plant and vehicles	-	3 to 15 years

Freehold land is not depreciated.

#### *(d) Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost represents purchase price.

#### *(e) Deferred taxation*

Deferred taxation is provided to the extent that it is probable that a tax liability will become payable in the foreseeable future.

#### *(f) Pensions costs*

The company provides pensions to its directors through a pension scheme and contributes to employees' pension schemes.

#### *(g) Assets for lease*

Assets held for use in operating leases are recorded as tangible fixed assets and depreciated as above.

Rental income from operating leases is recognised on a straight-line basis over the period of the lease.

#### *(h) Foreign currencies*

Foreign currency transactions are converted at the rates ruling at the dates of the transaction and foreign currency assets and liabilities are converted into Sterling at the rates ruling at the balance sheet date, profits and losses being included in the profit and loss account.

# T.I.P. Europe Limited

## Notes

(continued)

### 1. Accounting policies (continued)

#### (i) Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for permanent diminution in value.

#### (j) Cash flow statement

Under FRS1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement. Exemption is on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in a consolidated cash flow statement in the financial statements of the ultimate parent company which are available to the public.

#### (k) Transactions with related parties

The company, as a wholly owned subsidiary undertaking of General Electric Company, has taken advantage of an exemption contained in FRS 8, "Related Party Disclosure", in preparing its accounts. This exemption allows the company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated accounts of General Electric Company in which the company is included are available to the public and can be obtained from the address given in note 18.

#### (k) Goodwill

Purchased goodwill arising in respect of acquisitions since 1 January 1999 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of twenty years.

### 2. Directors' emoluments and staff costs

	2001 £000	2000 £000
<b>Directors' emoluments:</b>		
Directors' emoluments including pension contributions	96	256
	=====	=====

The emoluments (excluding pension contributions) of the highest paid director were £49,000 (2000: £129,000). The pension contributions of the highest paid director were £4,000 (2000: £15,000).

The number of directors to whom retirement benefits were accruing is as follows:

	Number of directors	
	2001	2000
Under defined benefit schemes	1	2
	=====	=====

# T.I.P. Europe Limited

## Notes

(continued)

### 2. Directors' emoluments and staff costs (continued)

The average number of persons employed by the company (including directors) during the period was as follows:

	Number of employees	
	2001	2000
	177	235
	<u>          </u>	<u>          </u>

The aggregate payroll costs of these persons were as follows:

	2001 £000	2000 £000
Wages and salaries	4,932	5,828
Social security costs	391	561
Other pensions costs	348	367
	<u>          </u>	<u>          </u>
	5,671	6,756
	<u>          </u>	<u>          </u>

### 3. Interest receivable and similar income

	2001 £000	2000 £000
Interest on bank loans and overdrafts	1	42
Interest from group undertakings	4,147	14,422
Lease interest from group undertakings	-	170
	<u>          </u>	<u>          </u>
	4,148	14,634
	<u>          </u>	<u>          </u>

### 4. Interest payable and similar charges

	2001 £000	2000 £000
Interest on bank loans and overdrafts	1	37
Interest to group undertakings	8,382	24,126
Interest on overdue tax	69	-
Other interest	1	5
	<u>          </u>	<u>          </u>
	8,453	24,168
	<u>          </u>	<u>          </u>

# T.I.P. Europe Limited

## Notes

(continued)

### 5. Loss on ordinary activities before taxation

	2001 £000	2000 £000
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Operating lease rentals	31	36
Remuneration of auditors and their associates	-	34
Depreciation on fixed assets	25,062	25,801
Amortisation of goodwill	1,600	1,600
Foreign exchange translation differences	35	(57)
Loss on disposal of tangible fixed assets	923	2,218

The auditors' remuneration is paid by a fellow group company.

### 6. Tax (credit)/charge on loss on ordinary activities

	2001 £000	2000 £000
<b>Current period:</b>		
Corporation tax	347	-
Deferred tax	(1,709)	-
<b>Adjustments relating to an earlier year:</b>		
Corporation tax	-	-
Deferred tax	197	(2,968)
	(1,165)	(2,968)

### 7. Intangible Assets

	2001 £000 <b>Goodwill</b>
<b>Cost:</b>	
At beginning and end of the year	32,006
<b>Provisions for amortisation and impairment:</b>	
At beginning of the year	4,134
Amortisation charged in the year	1,600
<b>At the end of the year</b>	<b>5,734</b>
<b>Net Book Value</b>	
At 31 December 2001	26,272
At 31 December 2000	27,872

## Notes

# T.I.P. Europe Limited

(continued)

## 7. Intangible Assets (continued)

Goodwill in respect of the acquisition of the assets and liabilities of Central Trailer Rentco Ltd is amortised over twenty years. The directors consider each acquisition separately for the purpose of determining the amortisation period.

## 8. Tangible fixed assets

	Freehold property £000	Plant, machinery and motor vehicles £000	Assets for lease £000	Total £000
<b>Cost</b>				
At 1 January 2001	11,325	2,220	385,821	399,366
Additions	1,256	210	12,825	14,291
Disposals	(441)	(16)	(15,561)	(16,018)
Intragroup transfers	-	-	(1,689)	(1,689)
<b>At 31 December 2001</b>	<b>12,140</b>	<b>2,414</b>	<b>381,396</b>	<b>395,950</b>
<b>Accumulated depreciation</b>				
At 1 January 2001	3,153	1,840	163,974	168,967
Charge for year	852	155	24,055	25,062
Disposals	(188)	(16)	(9,184)	(9,388)
Intragroup transfers	-	-	(601)	(601)
<b>At 31 December 2001</b>	<b>3,817</b>	<b>1,979</b>	<b>178,244</b>	<b>184,040</b>
<b>Net book value</b>				
<b>At 31 December 2001</b>	<b>8,323</b>	<b>435</b>	<b>203,152</b>	<b>211,910</b>
At 31 December 2000	8,172	380	221,847	230,399

# T.I.P. Europe Limited

## Notes

(continued)

### 9. Investments (held as fixed assets)

	Shares in subsidiary undertakings
	£000
<b>Cost or valuation</b>	
At 1 January and 31 December 2001	9,833
<b>Provision</b>	
At beginning of year	-
Write down in carrying value of investments	7,940
<b>At end of year</b>	<b>7,940</b>
<b>Net book value</b>	
At end of year	1,893
At beginning of year	9,833

The company's principal subsidiaries are listed below. They are wholly owned with the exception of the companies noted otherwise and are incorporated, registered and principally operate in the countries as shown except for those operating in the United Kingdom which are registered in England and Wales. The shares in the companies marked with an asterisk (\*) are held directly by T.I.P. Europe Limited.

Company	Country	Principal activities
<b>Trailer Rental</b>		
T.I.P. Trailer Rental*	United Kingdom	Trailer rental
Grand Transport BV	Netherlands	Trailer rental
Grand Transport GmbH	Germany	Trailer rental
<b>Corporate</b>		
T.I.P. Finance Limited*	United Kingdom	Financial Services
Grand Transport Systems Limited*	United Kingdom	Holding company
GT Systems Limited	United Kingdom	Management company
<b>General Leasing</b>		
Key Leasing Limited*	United Kingdom	Arrangement of lease packages

In the opinion of the directors, the investments in and amounts due from the company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

A full list of subsidiaries will be attached to the next Annual Return filed with the Registrar of Companies.

# T.I.P. Europe Limited

## Notes

(continued)

### 10. Debtors

	2001 £000	2000 £000
Trade debtors	13,781	16,098
Other debtors, prepayments and accrued income	5,478	4,684
Amounts due from group undertakings	21,049	109,826
	<hr/>	<hr/>
	40,308	130,608
	<hr/>	<hr/>

Amounts falling due after more than one year included above are:

	2001 £000	2000 £000
Other debtors	-	1,823
	<hr/>	<hr/>
	-	1,823
	<hr/>	<hr/>

### 11. Creditors: amounts falling due within one year

	2001 £000	2000 £000
Bank loans and overdrafts	465	5,284
Trade creditors	3,152	978
Corporation tax	440	-
Amounts due to group undertakings	22,890	242,497
Other taxation and social security	272	208
Accruals and deferred income	3,932	3,318
Other creditors	190	164
	<hr/>	<hr/>
	31,341	252,449
	<hr/>	<hr/>

# T.I.P. Europe Limited

## Notes

(continued)

### 12. Provisions for liabilities and charges

	Deferred taxation £000
At beginning of year	20,463
Charge for the year	(1,512)
	<hr/>
<b>At end of year</b>	<b>18,951</b>
	<hr/> <hr/>

The amounts provided for deferred taxation are set out below:

	2001 £000	2000 £000
Difference between accumulated depreciation and capital allowances	19,341	21,048
Other timing differences	(390)	(585)
	<hr/>	<hr/>
	<b>18,951</b>	<b>20,463</b>
	<hr/> <hr/>	<hr/> <hr/>

The amount provided is the full potential liability.

### 13. Called up share capital

	2001 £000	2000 £000
<b>Authorised</b>		
745,900,000 (2000: 745,900,000) ordinary shares of 5p each	37,295	37,295
	<hr/>	<hr/>
<b>Allotted and fully paid shares</b>		
730,465,844 (2000: 680,465,844) ordinary shares of 5p each	36,523	34,023
	<hr/>	<hr/>

On 10 July 2001 the company issued 50,000,000 ordinary shares of 5 pence each at a premium of £2.17 per share to GE Capital Corporation Limited for cash.

### 14. Reconciliation of movements in shareholders funds

	Share capital £000	Share premium £000	Special reserves £000	Profit and loss account £000	2001 Share- holder's funds £000	2000 Share- holder's funds £000
At beginning of year	34,023	116,627	27,460	(44,573)	133,537	133,506
Retained (loss)/profit for the year	-	-	-	(9,079)	(9,079)	31
New share capital issued	2,500	108,511	-	-	111,011	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At end of year</b>	<b>36,523</b>	<b>225,138</b>	<b>27,460</b>	<b>(53,652)</b>	<b>235,469</b>	<b>133,537</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



# T.I.P. Europe Limited

## Notes

(continued)

### 15. Commitments

- (i) At 31 December 2001 the company had made commitments of £123,000 to purchase fixed assets (2000: £1,599,000).
- (ii) Annual commitments under non-cancellable operating leases are as follows:

	2001		2000	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Within one year	-	16	100	88
Within two to five years	347	45	347	96
After five years	1,135	-	1,135	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,482	61	1,582	184
	<hr/>	<hr/>	<hr/>	<hr/>

### 16. Future repurchase commitments

As part of its trade the company has commitments to repurchase commercial vehicles at prices originally estimated to be not less than realisable value at the time of repurchase. Where necessary a provision has been made to the extent that such commitments are not estimated to exceed realisable value. At 31 December 2001 the maturity and maximum amount of these commitments is as follows:

	2001 £000	2000 £000
Within one year	141	13
Within two to five years	-	18
	<hr/>	<hr/>
	141	31
	<hr/>	<hr/>

### 17. Pension scheme

As explained in the accounting policies set out in note 1, the company provides defined final salary benefits, which are contracted-out of the State Earnings Related Pension Scheme, for all of its employees. The benefits are funded by means of assets held under a tax exempt trust. Contributions are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The funding policy is for the company to pay contributions as recommended by the actuary based on the results of the plan using the projected unit method.

The major assumptions used for SSAP24 basis purposes as at 31 December 2001 were:

The pension cost has been assessed by a professionally qualified actuary based on the results of a formal actuarial valuation carried out at 5 April 2000. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that investment returns would be 6% per annum, that salary increases would average 2% above price inflation per annum and that present and future pensions would increase in line with inflation or 5% per annum if less.

# T.I.P. Europe Limited

## Notes

(continued)

### 17. Pension scheme (continued)

The pension charge for the year is £348,000 (2000: £366,000).

The most recent actuarial statement showed that the market value of the scheme's assets was £6.783 million and that the actuarial value of those assets represented 83% of the benefits that had accrued to members, after allowing for expected future increases in earnings. Following the actuarial valuation employer's contribution have increased from 9.9% (effective 1 January 2001), to 11.9% (effective 1 January 2002). The contribution of the company and employees will remain at 11.9% and 3% of earnings respectively.

Contributions amounting to £33,000 (2000: £2,000) were accrued at the end of the year.

The major assumptions used for FRS 17 purposes as at 31 December 2001 were:

Rate of increase in salaries	4.5%
Rate of increase of pensions in payment	2.5%
Discount rate	6.0%
Rate of increase for deferred pensioners	2.5%
Inflation assumption	2.5%

The assets of the scheme and the expected rates of return were:

	Long-term rate of return expected at 31 December 2001	Value at 31 December 2001 £million
Equities	7.7%	4.246
Bonds	5.2%	2.537
		<hr/>
Fair value of assets		6.783
Present value of liabilities		(8.203)
		<hr/>
Deficit		(1.420)
Surplus restrictions		-
		<hr/>
Net pension liabilities before deferred tax		(1.420)
Related deferred tax asset		426
		<hr/>
		(994)
		<hr/>

The amounts of the net pension deficit would have a consequential effect on reserves.

# T.I.P. Europe Limited

## Notes

*(continued)*

### **18. Ultimate parent company**

The company's immediate holding company is GE Capital Corporation Limited, a company incorporated and registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by IGE USA Investments registered in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from 3rd Floor, 1 Trevelyan Square, Boar Lane, Leeds LS1 6HP.

The largest group in which the results of the company are consolidated is that headed by its ultimate parent company, General Electric Company, incorporated in the United States of America. The accounts of this company are available to the public and may be obtained from General Electric Company, 3135 Easton Turnpike, Fairfield, Connecticut 06431, USA or at [www.ge.com](http://www.ge.com).