

# T.I.P. Europe Limited

Directors' report and financial statements

for the year ended 30 June 2015

Registered number: 02004028

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# T.I.P. Europe Limited

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# T.I.P. Europe Limited

## Director's report

The director presents his report and the financial statements for the year ended 30 June 2015.

### Principal activity

The principal activity of the company up to the sale of the business in October 2013 was the provision of trailer rental and leasing facilities. Since that date there has been no trading activity.

### Results and dividends

The profit for the year, after taxation, amounted to £131,000 (2014: loss £49,804,000).

The director does not recommend the payment of a dividend (2014: £nil).

### Directors

The directors who served during the year and up to the date of the director's report were:

D T J F Clark (resigned 30 July 2015)

N C Smith

### Disclosure of information to auditors

The director at the time when this director's report is approved has confirmed that:

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

### Auditors

Under section 487 of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 11th March, 2016 and signed on its behalf.



N C Smith  
Director

3rd Floor  
1 Ashley Road  
Altrincham  
Cheshire  
WA14 2DT

# T.I.P. Europe Limited

## Strategic report for the year ended 30 June 2015

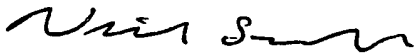
### ***Introduction***

The director presents the strategic report for the year ended 30 June 2015.

### ***Principal risks and uncertainties***

Following the sale of the company's trade and assets in October 2013, the company has ceased its operational activities. The company's principal risk is now the recoverability of its assets. As these are primarily debtors due from fellow group subsidiaries, the director does not regard the risk of default as significant.

This report was approved by the board on 14th March, 2016 and signed on its behalf.



N C Smith  
Director

# T.I.P. Europe Limited

## Director's responsibilities statement for the year ended 30 June 2015

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

# T.I.P. Europe Limited

## Independent auditors' report to the members of T.I.P. Europe Limited

We have audited the financial statements of T.I.P. Europe Limited for the year ended 30 June 2015, which comprise the profit and loss account, 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).

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 director and auditors**

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 30 June 2015 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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

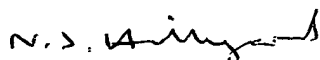
# T.I.P. Europe Limited

## Independent auditors' report to the members of T.I.P. Europe Limited

### 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



James Hillyard (senior statutory auditor)

for and on behalf of  
**KPMG LLP**

Statutory Auditor  
Chartered Accountants

One Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

Date: 29 March 2010

# T.I.P. Europe Limited

## Profit and loss account for the year ended 30 June 2015

	Note	2015 £000	2014 £000
<b>Turnover</b>		-	14,783
Cost of sales		-	(9,859)
		<hr/>	<hr/>
<b>Gross profit</b>		-	4,924
Administrative expenses		(587)	(31,656)
Other operating income/(expenses)		664	(4)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	2	77	(26,736)
Loss on sale of business	8	-	(23,139)
Interest receivable and similar income	6	54	120
Interest payable and similar charges	7	-	(49)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>		131	(49,804)
Tax on profit/(loss) on ordinary activities	9	-	-
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>	17	131	(49,804)
		<hr/>	<hr/>

All amounts relate to discontinued operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 8 to 17 form part of these financial statements.

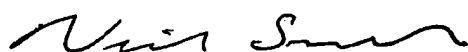


T.I.P. Europe Limited  
Registered number: 02004028

Balance sheet  
as at 30 June 2015

	Note	£000	2015 £000	£000	2014 £000
<b>Current assets</b>					
Debtors	10	9,350		33,314	
Creditors: amounts falling due within one year	11	(120)		(24,215)	
<b>Net current assets</b>			<b>9,230</b>		<b>9,099</b>
<b>Net assets</b>			<b>9,230</b>		<b>9,099</b>
<b>Capital and reserves</b>					
Called up share capital	12		28,023		28,023
Employee share based equity reserve	13		150		150
Special reserves	13		27,460		27,460
Profit and loss account	13		(46,403)		(46,534)
<b>Shareholders' funds</b>	14		<b>9,230</b>		<b>9,099</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
11th March, 2016



N C Smith  
Director

The notes on pages 8 to 17 form part of these financial statements.

# T.I.P. Europe Limited

## Notes to the financial statements

### 1. Accounting policies

#### 1.1 *Basis of preparation of financial statements*

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

On the basis of their assessment of the company's financial position and resources, the director believes that the company is well placed to manage its business risks. Therefore the company's director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

#### 1.2 *Cash flow*

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

#### 1.3 *Turnover*

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Trailer rental and operating lease revenue, the company's primary income, is recognised on a straight line basis over the period the equipment is on hire to the customer.

All turnover arose in the United Kingdom.

#### 1.4 *Taxation*

Taxation for the year is based on the profit/(loss) for the year.

Full provision is made for deferred tax liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if 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.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# T.I.P. Europe Limited

## Notes to the financial statements

### 1. Accounting policies (continued)

#### 1.5 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

#### 1.6 Pensions

The company was a member of a larger group pension scheme providing benefits based on final pensionable pay. The group pension scheme, GE Pension Plan, covers a number of United Kingdom subsidiary companies of General Electric Company. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement Benefits', the scheme had been accounted for in the financial statements as if the scheme was a defined contribution scheme.

The company also operated a defined contribution pension scheme. The assets of the scheme were held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

#### 1.7 Share based payments

Share options and restricted stock units over the shares of General Electric Company, the ultimate parent entity, are granted to certain employees and executives of the company. The fair value of options and units granted is recognised as an employee expense with a corresponding increase in equity, the 'employee share based equity reserve'.

The fair value is measured at grant date using the Black Scholes option pricing model, and is recognised as an expense over the period the employees become unconditionally entitled to the options/units. The amount recognised as an expense is adjusted to reflect the actual number of options/units expected to vest.

Any recharges by the ultimate parent entity are offset against the reserves.

In addition the company has established an employee share ownership scheme, under which employees are able to acquire a number of shares in the ultimate parent company, General Electric Company, with the company matching the employees' purchases. Such shares are purchased monthly in the market and held by the trustees until distribution to the employees in accordance with the rules of the scheme. The company's costs of these purchases are charged to the profit and loss account as incurred.

#### 1.8 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 Disclosures", in preparing its financial statements. 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 financial statements of General Electric Company, in which the company is included, are publicly available.

# T.I.P. Europe Limited

## Notes to the financial statements

### 2. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2015 £000	2014 £000
Depreciation of tangible fixed assets:		
- owned by the company	-	3,085
Operating lease rentals:		
- plant and machinery	-	5
- land and buildings	-	342
Difference on foreign exchange	(616)	47
Section 75 pension charge (note 15)	360	21,592
	<u>360</u>	<u>21,592</u>

### 3. Auditors' remuneration

Remuneration of £3,500 (2014: £5,000) was paid to the auditors in relation to their audit of the company's annual accounts.

### 4. Staff costs

Staff costs, including director's remuneration, were as follows:

	2015 £000	2014 £000
Wages and salaries	-	2,388
Social security costs	-	240
Other pension costs (note 15)	360	23,819
	<u>360</u>	<u>26,447</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Production and operations	-	165
Administration	-	21
Sales and distribution	-	17
	<u>-</u>	<u>203</u>

# T.I.P. Europe Limited

## Notes to the financial statements

### 4. Staff costs (continued)

Other pension costs include £360,000 (2014: £21,592,000) in relation to the recognition of the final settlement to exit the GE pension plan payable under section 75 of the Pensions Act 1995. The total section 75 pension charge was £21,951,600 which was paid on 24 July 2014. The average number of employees in respect of the year ended 30 June 2014 are for the period 1 July 2013 to 23 October 2013, while the company was operational. Since that date the company has had no employees.

### 5. Directors' remuneration

	2015 £000	2014 £000
Emoluments	-	129

During the year retirement benefits were accruing to nil directors (2014: 2) in respect of defined benefit pension schemes.

### 6. Interest receivable and similar income

	2015 £000	2014 £000
Interest receivable from group companies	54	120

### 7. Interest payable and similar charges

	2015 £000	2014 £000
Other interest payable	-	6
On loans from group undertakings	-	43
	-	49

### 8. Loss on sale of business

	2015 £000	2014 £000
Loss on sale of business	-	23,139

On 23 October 2013, the company sold its leasing business as a going concern to HNA Group, generating a loss on sale of £23.1m. Since that date the company has not been actively trading.

# T.I.P. Europe Limited

## Notes to the financial statements

### 9. Taxation

	2015 £000	2014 £000
<b>Analysis of current tax charge for the year</b>		
UK corporation tax charge on profit/(loss) for the year	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	21	9,930
Effect of decreased tax rate	-	221
Adjustment in respect of prior periods	(21)	8
Movement in deferred tax not provided	-	(10,159)
<b>Total deferred tax</b>	-	-
<b>Tax on profit/(loss) on ordinary activities</b>	-	-

#### Factors affecting current tax charge for the year

The current tax assessed for the year is lower than (2014: higher than) the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%). The differences are explained below:

	2015 £000	2014 £000
Profit/(loss) on ordinary activities before tax	131	(49,804)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014: 22.5%)	27	(11,206)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	489
Capital allowances in excess of depreciation	-	(9,905)
Short term timing differences	(21)	(25)
Group relief for £nil consideration	(6)	20,647
<b>Current tax charge for the year (see note above)</b>	-	-

#### Factors that may affect future tax charges

The UK corporation tax rate was reduced from 23% to 21% on 1 April 2014. It was announced that this rate would be reduced to 20% with effect from 1 April 2015. This rate was enacted at the balance sheet date. Subsequently, the UK government announced that the UK corporation tax rate will reduce further to 19% from 1 April 2017 and 18% from 1 April 2020. There are no other factors that may significantly affect future tax charges.

# T.I.P. Europe Limited

## Notes to the financial statements

### 10. Debtors

	2015 £000	2014 £000
<b><i>Due within one year</i></b>		
Trade debtors	-	220
Amounts owed by group undertakings	8,869	32,398
Other debtors	481	696
	<u>9,350</u>	<u>33,314</u>

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

	2015 £000	2014 £000
Amounts owed to group undertakings	117	140
Other creditors	-	22,253
Accruals and deferred income	3	1,822
	<u>120</u>	<u>24,215</u>

### 12. Share capital

	2015 £000	2014 £000
<b><i>Allotted, called up and fully paid</i></b>		
560,465,864 ordinary shares of £0.05 each	<u>28,023</u>	<u>28,023</u>

### 13. Reserves

	Special reserves £000	Employee share based equity reserve £000	Profit and loss account £000
At 1 July 2014	27,460	150	(46,534)
Profit for the year	-	-	131
At 30 June 2015	<u>27,460</u>	<u>150</u>	<u>(46,403)</u>

# T.I.P. Europe Limited

## Notes to the financial statements

### 14. Reconciliation of movement in shareholders' funds

	2015 £000	2014 £000
Opening shareholders' funds	9,099	58,859
Profit/(loss) for the year	131	(49,804)
Recharges made by GE company in respect of share options exercised during the year	-	(18)
Equity compensation expense recognised during the year	-	62
Closing shareholders' funds	9,230	9,099

### 15. Pension commitments

The company was a member of a larger group pension scheme providing benefits based on final pensionable pay. The group pension scheme, GE Pension Plan, covers a number of United Kingdom subsidiary companies of General Electric Company. Because the company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement Benefits', the scheme had been accounted for in the financial statements as if the scheme was a defined contribution scheme. The funding surplus/deficit in respect of this scheme is disclosed in the financial statements of IGE USA Investments, a company registered in England and Wales.

The last full actuarial valuation was carried out as at 5 April 2012 by a qualified independent actuary. At this date there was a funding deficit of £599 million and a funding level of 81.1%.

The company also operated a defined contribution pension scheme. The assets of the scheme were held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

The company has ceased trading and therefore has exited the group pension scheme. Other pension costs include £360,000 (2014: £21,592,000) in relation to the recognition of the final settlement to exit the GE Pension Plan payable under section 75 of the Pensions Act 1995, this amount was paid on 24 July 2014.

Excluding the section 75 Pensions Act 1995 charge, the pension charge for the year was £nil (2014: £2,227,000), including £nil (2014: £40,000) in respect of the defined contribution scheme. Contributions amounting to £nil (2014: £104,000) were payable to the scheme and are included in creditors.

### 16. Operating lease commitments

At 30 June 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £000	2014 £000	2015 £000	2014 £000
<b>Expiry date:</b>				
Between 2 and 5 years	-	32	-	-



# T.I.P. Europe Limited

## Notes to the financial statements

### 17. Share based payments

Certain former employees of the company were selected to participate in share options and restricted stock units of General Electric Company under the terms of the General Electric Company Long Term Incentive Plan. Share options expire 10 years from grant date and vest over service periods ranging from one to five years. The option price is usually set as the closing day share price on grant date. Restricted stock units give the participants the right to receive shares in General Electric Company for no consideration. Restricted stock units vest over various service periods beginning three years from grant date through to grantee retirement. All grants of GE options under all plans must be approved by the Management Development and Compensation Committee of General Electric Company, which consists entirely of outside directors.

For further details on stock options and restricted stock units please refer to the GE annual report available at [www.ge.com](http://www.ge.com).

#### (a) Share options

The number and weighted average exercise price of share options is as follows:

	2015 Weighted average exercise price \$	2015 Number of options No	2014 Weighted average exercise price \$	2014 Number of options No
Outstanding at the beginning of the year	18.22	37,400	18.14	42,400
Exercised during the year	17.15	4,700	17.60	(5,000)
Outstanding at the end of the year	<u>18.37</u>	<u>32,700</u>	<u>18.22</u>	<u>37,400</u>
	2015 Weighted average exercise price \$	2015 Number of options No	2014 Weighted average exercise price \$	2014 Number of options No
Exercisable at the end of the year	<u>18.37</u>	<u>32,700</u>	<u>18.22</u>	<u>37,400</u>
		\$		\$
For share options exercised during the year weighted average share price on date of exercise		17.15		17.60

# T.I.P. Europe Limited

## Notes to the financial statements

### 17. Share based payment (continued)

	Minimum \$	Maximum \$	Minimum \$	Maximum \$
Range of exercise price for outstanding options	<u>11.70</u>	<u>33.97</u>	<u>11.70</u>	<u>33.97</u>
		Years		Years
Weighted average remaining contractual life of outstanding options in years		3.27		4.27

#### Fair value of options granted

We measure the fair value of each stock option grant at the date of grant using a Black-Scholes option pricing model. The weighted average grant-date fair value of options granted during 2013 and 2012 was \$4.52 and \$3.80, respectively.

The following assumptions were used in arriving at the fair value of options granted during 2013 and 2012, respectively: riskfree interest rates of 2.5% and 1.3%, dividend yields of 4.0% and 4.0%, expected volatility of 28% and 29%; and expected lives of 7.5 and 7.8 years.

Risk-free interest rates reflect the yield on zero-coupon U.S. Treasury securities. Expected dividend yields presume a set dividend rate. For stock options granted in 2013 and 2012, we used a historical five year average for the dividend yield.

Expected volatilities are based on implied volatilities from traded options and historical volatility of our stock. The expected option lives are based on our historical experience of employee exercise behavior.

#### (b) Restricted stock units

The total number of restricted stock units granted during the year was nil ( 2014: nil).

#### Fair value of restricted stock units

The fair value of each restricted stock unit is the market price of our stock on the date of grant. The weighted average grant date fair value of RSUs granted during 2013 and 2012 was \$24.54 and \$20.79, respectively.

The average monthly exchange rate during the year was \$1.60:£1.

The opening exchange rate was \$1.63:£1.

The closing exchange rate was \$1.55:£1.

# T.I.P. Europe Limited

## Notes to the financial statements

### 17. Share based payments (continued)

#### (c) Expense arising from share based payment transactions

	2015 £000	2014 £000
Share options	-	61
Restricted stock units	-	1
	<hr/>	<hr/>
	-	62
	<hr/>	<hr/>

### 18. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is International General Electric (USA), a company registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by General Electric Capital Corporation, a company incorporated in the United States of America. The largest group in which the results of the company are consolidated is that headed by the company's ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements of General Electric Company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at [www.ge.com](http://www.ge.com).