

T.I.P. Europe Limited

Directors' report and financial statements

For the year ended 31 December 2000

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 2000.

Principal activities and business review

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

Dividends and transfer to reserves

The directors do not recommend the payment of a dividend (*1999: £nil*). The profit for the year of £31,000 has been transferred to reserves (*1999: loss £2,513,000*).

Year 2000

The company experienced no adverse effects due to the date change at 1 January 2000 either in its own computer systems or in its relationships with its customers, suppliers and other group entities. The company is aware that not all potentially related problems may have come to light and therefore continues to monitor the situation.

Directors and directors' interests

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

JT Breedlove	
MO Evans	
RJ Barnett	
IG Story	(resigned 25 January 2001)
J Bucci	
D Worrall	(appointed 28 April 2000)
R Ashton	(appointed 25 January 2001)
G Tappert	(resigned 9 January 2001)
S Shah	(appointed 23 May 2000, resigned 27 May 2000)
J Crowther	(appointed 24 May 2000, resigned 27 May 2000)

None of the directors had any disclosable interests in the shares of the company.

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

T.I.P. Europe Limited

Directors' report *(continued)*

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.

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



R Ashton

Director

7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH

22 / 3 / 2001

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.

Report of the auditors, KPMG Audit Plc,
to the members of T.I.P. Europe Limited

We have audited the financial statements on pages 5 to 16.

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. 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 2000 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

2 April 2001

T.I.P. Europe Limited

Profit and loss account

for the year ended 31 December 2000

	Note	2000 £000	1999 £000
Turnover	<i>1(b)</i>	75,928	81,165
Cost of sales		(44,123)	(50,916)
		<hr/>	<hr/>
Gross profit		31,805	30,249
Administrative expenses		(25,208)	(25,400)
		<hr/>	<hr/>
Operating profit		6,597	4,849
Interest receivable and similar income	3	14,634	5,105
Interest payable and similar charges	4	(24,168)	(13,954)
		<hr/>	<hr/>
(Loss) on ordinary activities before taxation	5	(2,937)	(4,000)
Tax on (loss)/profit on ordinary activities	6	2,968	1,487
		<hr/>	<hr/>
Retained profit / (loss) for the financial year		31	(2,513)
Profit and loss account brought forward		(44,604)	(42,091)
		<hr/>	<hr/>
Profit and loss account carried forward		(44,573)	(44,604)
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses other than those shown above.

There is no difference between the historical cost profits and the profits disclosed above.

A reconciliation of movements in shareholders' funds is shown in note 15.

T.I.P. Europe Limited

Balance sheet

at 31 December 2000

	Note	2000		1999	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	7		27,872		29,472
Tangible assets	8		230,399		254,607
Investments	9		9,833		9,833
			<u>268,104</u>		<u>293,912</u>
Current assets					
Stocks	10	-		557	
Debtors	11	130,608		148,474	
Cash at bank and in hand		7,737		2,345	
			<u>138,345</u>	<u>151,376</u>	
Creditors: amounts falling due within one year	12	(252,449)		(288,351)	
Net current liabilities			<u>(114,104)</u>	<u>(136,975)</u>	
Total assets less current liabilities			<u>154,000</u>	<u>156,937</u>	
Provisions for liabilities and charges	13		(20,463)		(23,431)
			<u>133,537</u>	<u>133,506</u>	
Capital and reserves					
Called up share capital	14		34,023		34,023
Share premium			116,627		116,627
Special reserves			27,460		27,460
Profit and loss account			(44,573)		(44,604)
Shareholders' funds	15		<u>133,537</u>	<u>133,506</u>	

These financial statements were approved by the board of directors on ..22./3./...2001 and were signed on its behalf by:

R. S. Ashton

R Ashton

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.

T.I.P. Europe Limited

Notes

(continued)

1. Accounting policies (continued)

(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.

(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.

(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

	2000	1999
	£000	£000
Directors' emoluments:		
Directors' emoluments including pension contributions	256	231
	=====	=====

The emoluments (excluding pension contributions) of the highest paid director were £129,271 (1999: £140,306). The pension contributions of the highest paid director were £14,724 (1999: £12,417).

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

	Number of directors	
	2000	1999
Under defined benefit schemes	2	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	
	2000	1999
	235	256
	<u>235</u>	<u>256</u>

The aggregate payroll costs of these persons were as follows:

	2000	1999
	£000	£000
Wages and salaries	5,828	5,666
Social security costs	561	646
Other pensions costs	367	502
	<u>6,756</u>	<u>6,814</u>

3. Interest receivable and similar income

	2000	1999
	£000	£000
Interest on bank loans and overdrafts	42	51
Interest from group undertakings	14,422	5,038
Lease interest from group undertakings	170	-
Other interest	-	16
	<u>14,634</u>	<u>5,105</u>

4. Interest payable and similar charges

	2000	1999
	£000	£000
Interest on bank loans and overdrafts	37	96
Interest to group undertakings	24,126	13,679
Lease interest due to group undertakings	-	176
Other interest	5	3
	<u>24,168</u>	<u>13,954</u>

T.I.P. Europe Limited

Notes

(continued)

5. (Loss) / profit on ordinary activities before taxation

	2000 £000	1999 £000
(Loss) on ordinary activities before taxation is stated after charging:		
Tax credit on (loss) on ordinary activities	(2,863)	(1,487)
Remuneration of auditors and their associates	34	41
Depreciation	25,801	26,485
	<u> </u>	<u> </u>

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

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

	2000 £000	1999 £000
Current period:		
Deferred tax	-	11
Adjustments relating to an earlier year:		
Corporation tax	105	1,074
Deferred tax	(2,968)	(2,572)
	<u> </u>	<u> </u>
	(2,863)	(1,487)
	<u> </u>	<u> </u>

7. Intangible Assets

	2000 £000
	Positive Goodwill
Cost:	
At beginning and end of the year	32,006
	<u> </u>
Provisions for amortisation and impairment:	
At beginning of the year	2,534
Amortisation charged in the year	1,600
	<u> </u>
At the end of the year	4,134
	<u> </u>
Net Book Value	
At 31 December 2000	27,872
	<u> </u>
At 31 December 1999	29,472
	<u> </u>

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.

T.I.P. Europe Limited

Notes

(continued)

8. Tangible fixed assets

	Freehold Property £000	Plant, machinery and motor vehicles £000	Assets for lease £000	Total £000
<i>Cost</i>				
At 1 January 2000	10,948	2,118	399,093	412,159
Additions	1,391	102	11,370	12,863
Disposals	(1,014)	-	(23,415)	(24,429)
Intragroup transfers	-	-	(1,227)	(1,227)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	11,325	2,220	385,821	399,366
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>				
At 1 January 2000	3,216	1,638	152,698	157,552
Charge for year	642	202	24,957	25,801
Disposals	(705)	-	(13,203)	(13,908)
Intragroup transfers	-	-	(478)	(478)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2000	3,153	1,840	163,974	168,967
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2000	8,172	380	221,847	230,399
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1999	7,732	480	246,395	254,607
	<hr/>	<hr/>	<hr/>	<hr/>

T.I.P. Europe Limited

Notes

(continued)

9. Fixed asset investments

	£000
Cost or valuation	
At 1 January and 31 December 2000	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
Trailer Rental		
T.I.P. Trailer Rental*	United Kingdom	Trailer rental
Grand Transport BV	Netherlands	Trailer rental
Grand Transport GmbH	Germany	Trailer rental
Grand Transport Aps	Denmark	Trailer rental
Corporate		
T.I.P. Finance Limited*	United Kingdom	Financial Services
TIP Overseas Holdings Limited*	United Kingdom	Dormant Holding company
Grand Transport Systems Limited*	United Kingdom	Holding company
GT Systems Limited	United Kingdom	Management company
General Leasing		
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. Stocks

	2000 £000	1999 £000
Trailers for resale	-	557

11. Debtors

	2000 £000	1999 £000
Trade debtors	16,098	19,701
Net investment in finance leases	-	6
Other debtors, prepayments and accrued income	4,684	5,066
Amounts due from group undertakings	109,826	123,701
	<u>130,608</u>	<u>148,474</u>

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

	2000 £000	1999 £000
Other debtors	1,823	2,243
	<u>1,823</u>	<u>2,243</u>

12. Creditors: amounts falling due within one year

	2000 £000	1999 £000
Bank loans and overdrafts	5,284	653
Finance lease & HP obligations	-	5,111
Trade creditors	978	1,747
Amounts due to group undertakings	242,497	276,225
Other taxation and social security	208	223
Accruals and deferred income	3,318	4,212
Other creditors	164	180
	<u>252,449</u>	<u>288,351</u>

T.I.P. Europe Limited

Notes

(continued)

13. Provisions for liabilities and charges

	Deferred taxation £000
At 1 January 2000	23,431
Charge for the year	(2,968)
At 31 December 2000	20,463

The amounts provided for deferred taxation are set out below:

	2000 £000	1999 £000
Difference between accumulated depreciation and capital allowances	21,048	24,863
Future benefit of tax losses	-	(1,542)
Other timing differences	(585)	110
	20,463	23,431

The amount provided is the full potential liability.

14. Called up share capital

	2000 £000	1999 £000
<i>Authorised</i>		
745,900,000 (1999: 745,900,000) ordinary shares of 5p each	37,295	37,295
<i>Allotted and fully paid shares</i>		
680,465,844 (1999: 680,465,844) ordinary shares of 5p each	34,023	34,023

15. Reconciliation of movements in shareholders funds

	Share capital £000	Share premium £000	Special Reserves £000	Profit and loss account £000	Total £000
At 1 January 1999	34,023	116,627	27,460	(42,091)	136,019
Retained loss for the year	-	-	-	(2,513)	(2,513)
At 1 January 2000	34,023	116,627	27,460	(44,604)	133,506
Retained profit for the year	-	-	-	31	31
At 31 December 2000	34,023	116,627	27,460	(44,573)	133,537

T.I.P. Europe Limited

Notes

(continued)

16. Commitments

- (i) At 31 December 2000 the company had made commitments of £1,599,000 to purchase fixed assets (1999: *NIL*).
- (ii) Annual commitments under non-cancellable operating leases are as follows:

	2000		1999	
	Land and buildings £000	Other £000	Land and Buildings £000	Other £000
Within one year	100	88	113	58
Within two to five years	347	96	321	224
After five years	1,135	-	1,181	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,582	184	1,615	282
	<hr/>	<hr/>	<hr/>	<hr/>

17. 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 2000 the maturity and maximum amount of these commitments is as follows:

	2000 £000	1999 £000
Within one year	13	127
Within two to five years	18	31
	<hr/>	<hr/>
	31	158
	<hr/>	<hr/>

18. Pension scheme

The group participates in a number of pension schemes of the defined benefit type and the assets of the schemes are held in separate trustee administered funds. In the directors' opinion no individual scheme is significant.

Details of the group's pension schemes are available in the accounts of the holding company, IGE USA Investments.

T.I.P. Europe Limited

Notes

(continued)

19. 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.