

GE Capital TLS Limited

Directors' report and financial statements

for the year ended 31 December 2012

Registered number 02131552



GE Capital TLS Limited

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GE Capital TLS Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activity

GE Capital TLS Limited ("the company") provided contract hire vehicles, short term rental vehicles and associated vehicle management.

In 2010 directors decided to close the business and to cease trading. As a result the accounts have not been prepared on a going concern basis. The effect of this is explained in note 1.1 to the financial statements.

Results and dividends

The loss for the year, after taxation, amounted to £255,000 (2011: loss £4,543,000).

The directors do not recommend the payment of a dividend (2011: £nil).

Directors

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

P L Beadle
R A Fast
K A Delamore
M McEnroe

Employee involvement

The company encourages the involvement of its employees in matters that concern them. Such involvement is illustrated by activities such as regular briefing notes which are distributed on a number of topics including half-year and full-year results, new appointments and acquisitions. Regular briefing sessions on a local management basis are also actively encouraged.

Company's policy for payment of creditors

It is company policy to settle all debts with its creditors on a timely basis, taking account of the credit period given by the supplier.

Provision of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

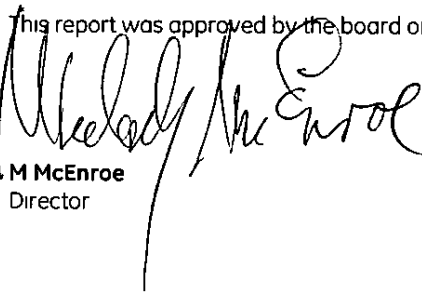
GE Capital TLS Limited

Directors' report

Auditors

Under section 487 of the Companies Act 2006, KPMG Audit Plc 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 *26 June 2013* and signed on its behalf



M McEnroe
Director

Webber House
26-28 Market Street
Altrincham
Cheshire
WA14 1PF

GE Capital TLS Limited

Directors' responsibilities statement for the year ended 31 December 2012

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 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.

GE Capital TLS Limited

Independent auditors' report to the members of GE Capital TLS Limited

We have audited the financial statements of GE Capital TLS Limited for the year ended 31 December 2012, 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 directors and auditors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. 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 31 December 2012 and of its loss 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note.

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.

GE Capital TLS Limited

Independent auditors' report to the members of GE Capital TLS 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 directors' 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 Audit Plc

Statutory Auditor
Chartered Accountants

1 The Embankment
Neville Street
Leeds
LS1 4DW

Date 26 June 2013

GE Capital TLS Limited

Profit and loss account for the year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover	2	63	539
Cost of sales		<u>(30)</u>	<u>(85)</u>
Gross profit		33	454
Administrative expenses		(1,144)	(4,648)
Other operating income/(charges)		<u>708</u>	<u>(393)</u>
Operating loss	3	(403)	(4,587)
Interest receivable and similar income	7	153	194
Interest payable and similar charges	8	<u>(5)</u>	<u>(150)</u>
Loss on ordinary activities before taxation		(255)	(4,543)
Tax on loss on ordinary activities	9	<u>-</u>	<u>-</u>
Loss for the financial year	17	(255)	(4,543)

All amounts relate to discontinuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

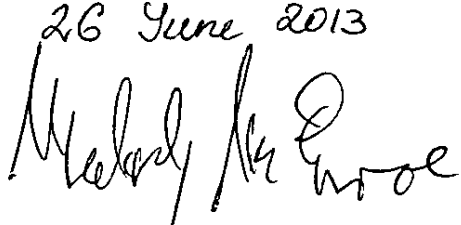
The notes on pages 8 to 18 form part of these financial statements

GE Capital TLS Limited
Registered number 02131552

Balance sheet
as at 31 December 2012

	Note	£000	2012 £000	2011 £000
Current assets				
Debtors amounts falling due after more than one year	10	286	-	
Debtors amounts falling due within one year	10	26,062	30,125	
Tangible current assets	11	400	583	
		<u>26,748</u>	<u>30,708</u>	
Creditors amounts falling due within one year	12	<u>(548)</u>	<u>(2,127)</u>	
Net current assets			<u>26,200</u>	<u>28,581</u>
Total assets less current liabilities			<u>26,200</u>	<u>28,581</u>
Creditors amounts falling due after more than one year	13		-	(442)
Provisions for liabilities	15		<u>(1,222)</u>	<u>(2,903)</u>
Net assets			<u><u>24,978</u></u>	<u><u>25,236</u></u>
Capital and reserves				
Called up share capital	16		156,802	156,802
Share premium account	17		51,047	51,047
Other reserves	17		4,240	4,240
Employee share based equity reserve	17		57	60
Profit and loss account	17		<u>(187,168)</u>	<u>(186,913)</u>
Shareholders' funds	18		<u><u>24,978</u></u>	<u><u>25,236</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

26 June 2013

M McEnroe
Director

The notes on pages 8 to 18 form part of these financial statements

GE Capital TLS 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

As the company has ceased trading the directors have not prepared the financial statements on a going concern basis. As a result of this change of basis all asset and liabilities have been reviewed and stated at their net realisable value. Further to this a provision has been booked to recognise the costs associated with closing the business.

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.

1.4 *Operating leases*

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 *Tangible current assets*

Tangible current assets are valued at the lower of cost and net realisable value after making due allowance for any additional cost of disposal.

1.6 *Taxation*

Taxation for the year is based on the 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.

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.

GE Capital TLS Limited

Notes to the financial statements

1 Accounting policies (continued)

1.7 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event and it is probable that a transfer of economic benefit will be required to settle the obligation

1.8 Pensions

The company is 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 has been accounted for in these financial statements as if the scheme was a defined contribution scheme.

The company also operates a defined contribution pension scheme. The assets of the scheme are 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.

1.9 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 'employee share based equity reserve'.

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. The company's costs of these purchases are charged to the profit and loss account as incurred.

1.10 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.

GE Capital TLS Limited

Notes to the financial statements

2 Turnover

A geographical analysis of turnover is as follows

	2012 £000	2011 £000
United Kingdom	63	485
Rest of European Union	-	54
	<u>63</u>	<u>539</u>

3 Operating loss

The operating loss is stated after charging/(crediting)

	2012 £000	2011 £000
Operating lease rentals		
- plant and machinery	1	-
- land and buildings	12	264
Profit on sale of tangible current assets	(3)	(66)
	<u></u>	<u></u>

4 Staff costs

Staff costs, including directors' remuneration, were as follows

	2012 £000	2011 £000
Wages and salaries	630	916
Social security costs	62	88
Other pension costs	482	2,776
	<u>1,174</u>	<u>3,780</u>

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

	2012 No	2011 No
Operations	-	12
Management/administrative	11	14
	<u>11</u>	<u>26</u>

During the year the company made a Section 75 pension payment of Enil (2011 £1,992,000)

GE Capital TLS Limited

Notes to the financial statements

5. Directors' remuneration

	2012 £000	2011 £000
Emoluments	<u>100</u>	<u>89</u>
Company pension contributions	<u>20</u>	<u>13</u>

During the year retirement benefits were accruing to 1 director (2011: 1) in respect of defined benefit pension schemes

The remaining directors are not employees of the company and receive no emoluments from this company

6. Auditors' remuneration

Remuneration of £5,000 (2011: £5,000) paid to the auditors for their services was borne by a fellow group undertaking

7. Interest receivable and similar income

	2012 £000	2011 £000
Interest receivable from group companies	<u>153</u>	<u>194</u>

8. Interest payable and similar charges

	2012 £000	2011 £000
Other interest payable	-	1
On loans from group undertakings	<u>5</u>	<u>149</u>
	<u>5</u>	<u>150</u>

GE Capital TLS Limited

Notes to the financial statements

9. Taxation

	2012 £000	2011 £000
Analysis of tax charge in the year		
UK corporation tax charge on loss for the year	-	-
Deferred tax		
Origination and reversal of timing differences	2	24,189
Effect of decreased tax rate	6	470
Adjustment in respect of prior years	(44)	4,549
Movement in deferred tax not provided for	36	(29,208)
Total deferred tax (see note 14)	-	-
Tax on loss on ordinary activities	-	-

Factors affecting tax current tax charge for the year

The current tax assessed for the year is higher than (2011 higher than) the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012 £000	2011 £000
Loss on ordinary activities before tax	(255)	(4,543)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 26.5%)	(63)	(1,204)
Effects of		
Depreciation in excess of capital allowances	(2)	(22,477)
Short term timing differences	-	(1,712)
Expenses not deductible for tax purposes	154	15
Group relief	(89)	25,378
Current tax charge for the year (see note above)	-	-

No current tax charge arises on the loss for the year because the company is claiming group relief from other group companies for £nil consideration

Factors that may affect future tax charges

Deferred tax assets and liabilities on all timing differences have been calculated at 23%, being the rate of UK corporation tax that was enacted at the balance sheet date, including those expected to reverse in the year ended 31 December 2013 (the overall average rate for which would otherwise be 23.25%). The impact of this, and that of the below changes in the corporation tax rate, on the financial statements is not considered to be material

The UK corporation tax rate was reduced from 26% to 24% on 1 April 2012. It was announced that this rate would be further reduced to 23% with effect from 1 April 2013. This is the rate which was enacted at the balance sheet date. It is expected that the corporation tax rate will reduce to 20% by 2015. There are no other factors that may significantly affect future tax charges

GE Capital TLS Limited

Notes to the financial statements

10 Debtors

	2012 £000	2011 £000
<i>Due after more than one year</i>		
Amounts owed by group undertakings	286	-
	286	
<i>Due within one year</i>		
Rentals receivable under operating leases	48	129
Amounts owed by group undertakings	25,698	29,786
Other debtors	127	44
Prepayments and accrued income	189	166
	26,062	30,125

11. Tangible current assets

	2012 £000	2011 £000
Freehold land	87	192
Freehold buildings	308	384
Plant, machinery and computer equipment	5	7
	400	583

12 Creditors

Amounts falling due within one year

	2012 £000	2011 £000
Bank loans and overdrafts	16	1,385
Trade creditors	17	75
Social security and other taxes	2	-
Other creditors	33	-
Accruals and deferred income	480	667
	548	2,127

13 Creditors

Amounts falling due after more than one year

	2012 £000	2011 £000
Amounts owed to group undertakings	-	442

GE Capital TLS Limited

Notes to the financial statements

14. Deferred taxation

	2012 £000	2011 £000
At beginning and end of year	-	-

The amounts recognised and unrecognised for deferred taxation are made up as follows

	Recognised 2012 £000	Unrecognised 2012 £000	Recognised 2011 £000	Unrecognised 2011 £000
Short term timing differences	-	130	-	94

15 Provisions for liabilities

	Provision for closure costs £000
At 1 January 2012	2,903
Utilised	(1,298)
Released	(383)
At 31 December 2012	1,222

Provision for closure costs

Closure costs comprise committed redundancy costs, contractual lease costs and estimated dilapidations

Redundancy provisions have been based on standard terms and conditions of employment and contractual lease costs are based on the remaining term of the lease commitments ranging from one to five years

Dilapidations have been estimated based on internal appraisals

GE Capital TLS Limited

Notes to the financial statements

16 Share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
2,056,049,290 ordinary shares of £0.05 each	102,802	102,802
54,000,000 class 'A' ordinary shares of £1 each	54,000	54,000
	156,802	156,802

In relation to any dividend or return of capital on winding up or otherwise paid or made (by way of cash or specie) by the company, the holder of the 'A' ordinary shares shall be entitled to a payment of £54,000,000 (in the case of a dividend or return in cash) or a distribution or return to the value of £54,000,000 (in the case of a dividend or return in specie) for every £1 in cash or value paid or made by way of dividend or on a return of capital on winding up or otherwise to the holders of the ordinary shares of £0.05 then in the issue (the 'ordinary shares') and in the case of lesser amounts or value, such amounts or value as are necessary to preserve the aforesaid ratio

17 Reserves

	Share premium account £000	Other reserves £000	Employee share based equity reserve £000	Profit and loss account £000
At 1 January 2012	51,047	4,240	60	(186,913)
Loss for the year	-	-	-	(255)
Equity compensation expense recognised during the year	-	-	3	-
Recharge from GE Company relating to share based payments	-	-	(6)	-
At 31 December 2012	51,047	4,240	57	(187,168)

18. Reconciliation of movement in shareholders' funds

	2012 £000	2011 £000
Opening shareholders' funds	25,236	29,778
Loss for the year	(255)	(4,543)
Equity compensation expense recognised during the year	3	4
Recharge from GE Company relating to share based payments	(6)	(3)
Closing shareholders' funds	24,978	25,236

GE Capital TLS Limited

Notes to the financial statements

19 Pension commitments

The company is 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 has been accounted for in these 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 at 5 April 2009 by a qualified independent actuary. At this date there was a funding deficit of £695 million and a funding level of 66.7%.

The pension charge for the year was £482,000 (2011: £784,000), including £nil (2011: £nil) in respect of the defined contribution scheme. During the year the company made a Section 75 pension payment of £nil (2011: £1,992,000). Contributions amounting to £31,000 (2011: £nil) were payable to the scheme at the end of the year and are included in creditors.

20 Operating lease commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2012 £000	2011 £000
Expiry date:		
Between 2 and 5 years	608	771
After more than 5 years	-	15

21 Share based payments

Certain employees of the company are 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 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 consist 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

GE Capital TLS Limited

Notes to the financial statements

21 Share based payments (continued)

(a) Share options

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

	2012 Weighted average exercise price \$	2012 Number of options No	2011 Weighted average exercise price \$	2011 Number of options No
Outstanding at the beginning of the year	19 39	5,350	18 34	7,250
Granted during the year	-	-	18 58	2,000
Forfeited during the year	25 24	(700)	-	-
Exercised during the year	16 18	(1,250)	-	-
Employee transfers	-	-	17 03	(3,900)
Outstanding at the end of the year	<u>19 36</u>	<u>3,400</u>	<u>19 39</u>	<u>5,350</u>

	2012 Weighted average exercise price \$	2012 Number of options No	2011 Weighted average exercise price \$	2011 Number of options No
Exercisable at the end of the year	<u>20 05</u>	<u>1,800</u>	<u>24 13</u>	<u>1,300</u>

	\$	\$
For share options exercised during the year weighted average share price on date of exercise	22 79	-

	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	5 68	7 92

GE Capital TLS Limited

Notes to the financial statements

21 Share based payments (continued)

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 2012 and 2011 was \$3.80 and \$4.00, respectively.

The following assumptions were used in arriving at the fair value of options granted during 2012 and 2011, respectively: risk-free interest rates of 1.3% and 2.6%, dividend yields of 4.0% and 3.9%, expected volatility of 29% and 30%, expected lives of 7.8 and 7.7 years.

Risk-free interest rates reflect the yield on zero-coupon US Treasury securities. Expected dividend yields presume a set dividend rate. For stock options granted in 2012 and 2011, 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 (2011: 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 2012 and 2011 was \$20.79 and \$16.74 respectively.

The average monthly exchange rate during the year end was \$1.58/£1.

The opening exchange rate was \$1.55/£1.

The closing exchange rate was \$1.61/£1.

(c) Expense arising from share based payment transactions

	2012 £000	2011 £000
Share options	3	4

22 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Key Leasing Limited, a company registered in England and Wales.

The smallest and largest group in which the results of the company are consolidated is that headed by its ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at www.ge.com.