

# GE Capital TLS Limited

## Directors' report and financial statements

For the year ended 31 December 2015

Registered number: 02131552

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# GE Capital TLS Limited

## Contents

	Page
<b>Directors' report</b>	<b>1 - 2</b>
<b>Directors' responsibilities statement</b>	<b>3</b>
<b>Independent auditors' report</b>	<b>4 - 5</b>
<b>Statement of comprehensive income</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8 - 9</b>
<b>Notes to the financial statements</b>	<b>10 - 17</b>

# GE Capital TLS Limited

## Directors' report For the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

### Principal activity

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

In 2010, the directors decided to close the business. As a result the financial statements have not been prepared on a going concern basis. The effect of this is explained in note 1.3 to the financial statements.

On 10 April 2015, the ultimate parent company, General Electric Company ("GE") announced its intention to reduce the size of its financial services business. As of the date of these financial statements, the Board of the company had no formal or contractual commitment to dispose of its assets or business.

### Results and dividends

The loss for the year, after taxation, amounted to £65,000 (2014: profit £28,000).

The directors do not recommend the payment of a dividend (2014: £nil).

### Directors

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

K T Griffin  
N C Smith

### Disclosure 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 relevant audit information and to establish that the company's auditors are aware of that information.

# GE Capital TLS Limited

## Directors' report For the year ended 31 December 2015

### Auditors

Under section 487(2) 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 6-9-2016 and signed on its behalf.

  
N C SMITH  
Director

3rd Floor  
1 Ashley Road  
Altrincham  
Cheshire  
WA14 2DT

# GE Capital TLS Limited

## Directors' responsibilities statement For the year ended 31 December 2015

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless 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 2015, set out on pages 6 to 17. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 (set out on page 2), 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 2015 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 1.3 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.



James Hillyard (senior statutory auditor)

for and on behalf of

**KPMG LLP**

Statutory Auditor  
Chartered Accountants

1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

Date: 7 September 2016

# GE Capital TLS Limited

## Statement of comprehensive income For the year ended 31 December 2015

	Note	2015 £000	2014 £000
Administrative expenses		(95)	(30)
<b>Operating loss</b>		<b>(95)</b>	<b>(30)</b>
Interest receivable and similar income	7	30	59
Interest payable and expenses	8	-	(1)
<b>(Loss)/profit on ordinary activities before tax</b>		<b>(65)</b>	<b>28</b>
Tax on (loss)/profit on ordinary activities	9	-	-
<b>(Loss)/profit for the year</b>		<b>(65)</b>	<b>28</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(65)</b>	<b>28</b>

All amounts relate to discontinued operations.

The notes on pages 10 to 17 form part of these financial statements.

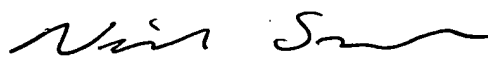


GE Capital TLS Limited  
Registered number:02131552

Balance sheet  
As at 31 December 2015

	Note	2015 £000	2014 £000
<b>Current assets</b>			
Debtors	10	7,308	7,567
Creditors: amounts falling due within one year	11	(28)	(222)
<b>Net current assets</b>		<u>7,280</u>	<u>7,345</u>
<b>Total assets less current liabilities</b>		<u>7,280</u>	<u>7,345</u>
<b>Net assets</b>		<u><u>7,280</u></u>	<u><u>7,345</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	156,802	156,802
Share premium account		51,047	51,047
Other reserves		4,240	4,240
Employee share based equity reserve		57	57
Profit and loss account		(204,866)	(204,801)
<b>Shareholder's funds</b>		<u><u>7,280</u></u>	<u><u>7,345</u></u>

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

  
N C SMITH  
Director

6-9-2016

The notes on pages 10 to 17 form part of these financial statements.

# GE Capital TLS Limited

## Statement of changes in equity For the year ended 31 December 2015

	Called up share capital	Share premium account	Other reserves	Employee share based equity reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2015	156,802	51,047	4,240	57	(204,801)	7,345
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(65)	(65)
<b>Total comprehensive income for the year</b>	-	-	-	-	(65)	(65)
<b>At 31 December 2015</b>	<b>156,802</b>	<b>51,047</b>	<b>4,240</b>	<b>57</b>	<b>(204,866)</b>	<b>7,280</b>

# GE Capital TLS Limited

## Statement of changes in equity For the year ended 31 December 2014

	Called up share capital	Share premium account	Other reserves	Employee share based equity reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 January 2014	156,802	51,047	4,240	57	(204,829)	7,317
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	28	28
<b>Total comprehensive income for the year</b>	-	-	-	-	28	28
<b>At 31 December 2014</b>	<b>156,802</b>	<b>51,047</b>	<b>4,240</b>	<b>57</b>	<b>(204,801)</b>	<b>7,345</b>

The notes on pages 10 to 17 form part of these financial statements.

# GE Capital TLS Limited

## Notes to the financial statements For the year ended 31 December 2015

### 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the company is provided in note 16.

The company is a private limited company and is incorporated and domiciled in the United Kingdom.

The results of the company are included in the consolidated financial statements of General Electric Company which are available from 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at [www.ge.com](http://www.ge.com).

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

#### ***First time application of FRS 100 and FRS 101***

In the current year the company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the company to take advantage of some of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

# GE Capital TLS Limited

## Notes to the financial statements For the year ended 31 December 2015

### 1. Accounting policies (continued)

#### 1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

#### 1.3 Going concern

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 assets and liabilities have been reviewed and stated at their net realisable value and a provision was booked to recognise the costs associated with closing the business.

# GE Capital TLS Limited

## Notes to the financial statements For the year ended 31 December 2015

### **1. Accounting policies (continued)**

#### **1.4 Interest receivable and payable**

Interest receivable and payable are recognised in the statement of comprehensive income on an accruals basis.

#### **1.5 Operating leases: Lessee**

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

#### **1.6 Foreign currency translation**

The accounts are presented in sterling which is the company's functional and presentational currency.

Transactions in foreign currencies are recorded using a monthly average operating exchange rate. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate ruling at the balance sheet date. The gains or losses arising are included in the statement of comprehensive income.

#### **1.7 Taxation**

Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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 For the year ended 31 December 2015

### 1. Accounting policies (continued)

#### 1.8 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 was unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by IAS 19 'Employee Benefits', the scheme had been accounted for in these 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 statement of comprehensive income represented the contributions payable to the scheme in respect of the accounting period.

#### 1.9 Share based payments

Share options and restricted 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 statement of comprehensive income as incurred.

### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors consider there are no critical accounting estimates or judgments identified in preparation of financial statements in compliance with FRS 101.

### 3. Operating loss

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

	2015 £000	2014 £000
Exchange differences	(1)	-
Operating lease rentals charge: land and buildings	-	7

# GE Capital TLS Limited

## Notes to the financial statements For the year ended 31 December 2015

### 4. Staff costs

Staff costs were as follows:

	2015 £000	2014 £000
Social security costs	-	6

The company had no employees during the current or preceding year.

### 5. Directors' remuneration

No directors received any remuneration in respect of services to the company during the current year or preceding year.

During the year no retirement benefits were accruing to any directors.

### 6. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2015 £000	2014 £000
Fees for the audit of the company	4	5

### 7. Interest receivable and similar income

	2015 £000	2014 £000
Interest receivable from group companies	30	59

### 8. Interest payable and similar charges

	2015 £000	2014 £000
Loans from group undertakings	-	1



# GE Capital TLS Limited

## Notes to the financial statements For the year ended 31 December 2015

### 9. Taxation

	2015 £000	2014 £000
Taxation on (loss)/profit on ordinary activities	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained below:

	2015 £000	2014 £000
(Loss)/profit on ordinary activities before tax	(65)	28
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.5%)	(13)	6
<b>Effects of:</b>		
Group relief for £nil consideration	13	(6)
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

#### Factors that may affect future tax charges

The UK corporation tax rate was reduced from 21% to 20% on 1 April 2015. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted at the balance sheet date. This will reduce any current tax charges accordingly. Subsequently, the UK government announced that the UK corporation tax rate will reduce further to 17% from 1 April 2020. There are no other factors that may significantly affect future tax charges.

There were no amounts of provided or unprovided deferred taxation as at 31 December 2015 or 31 December 2014.

### 10. Debtors

	2015 £000	2014 £000
<b>Due within one year</b>		
Amounts owed by group undertakings	7,308	6,883
Other debtors	-	684
	<b>7,308</b>	<b>7,567</b>

# GE Capital TLS Limited

## Notes to the financial statements For the year ended 31 December 2015

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

	2015 £000	2014 £000
Trade creditors	5	4
Accruals and deferred income	23	218
	<u>28</u>	<u>222</u>

### 12. Share capital

	2015 £000	2014 £000
<b><i>Allotted, called up and fully paid</i></b>		
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
	<u>156,802</u>	<u>156,802</u>

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.

### 13. 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 IAS 19 'Employee 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 GEH Holdings, a company registered in England and Wales.

The last full actuarial valuation was carried out as at 31 March 2015 by a qualified independent actuary. At this date there was a funding deficit of £164 million and a funding level of 96.2%.

The pension charge for the year was £nil (2014: refund £1,000), including £nil (2014: £nil) in respect of the defined contribution scheme. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

As outlined in note 1.3, the company has ceased trading and therefore has exited the group pension scheme. The amount of £16,918,000 in relation to the recognition of the final settlement to exit the GE Pension Plan payable under section 75 of the Pensions Act 1995, had been settled in 2014.

# GE Capital TLS Limited

## Notes to the financial statements For the year ended 31 December 2015

### **14. Share based payments**

Certain 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 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](http://www.ge.com).

The options outstanding at the year end have an exercise price of \$18.58 and a weighted average contractual life of 2.81 years.

### **15. 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](http://www.ge.com).

### **16. First time adoption of FRS 101**

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.