

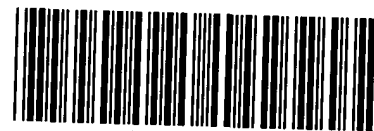
GE Capital TLS Limited

Directors' report and financial statements

for the year ended 31 December 2014

Registered number: 02131552

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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 2014.

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 1.1 to the financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £28,000 (2013: £17,661,000).

The directors do not recommend the payment of a dividend (2013: £nil).

Directors

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

KT Griffin
N C Smith

Post balance sheet event

On 10 April 2015, the GE group 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 made no formal or contractual commitment to dispose of its assets or business.

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

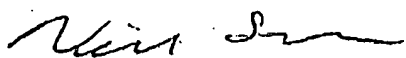
Directors' report

Auditors

KPMG Audit Plc resigned as auditors during the year and KPMG LLP were appointed to fill the vacancy arising.

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 23 July 2015 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 2014

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 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 2014, 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 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 31 December 2014 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.

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; 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 The Embankment
Neville Street
Leeds
LS1 4DW

Date: 11 August 2015

GE Capital TLS Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £000	2013 £000
Administrative expenses		(30)	(19,001)
Other operating income		-	1,253
Operating loss	2	(30)	(17,748)
Interest receivable and similar income	6	59	87
Interest payable and similar charges	7	(1)	-
Profit/(loss) on ordinary activities before taxation		28	(17,661)
Tax on profit/(loss) on ordinary activities	8	-	-
Profit/(loss) for the financial year	13	28	(17,661)

All amounts relate to discontinued operations.

There were no recognised gains and losses for 2014 or 2013 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 2014

	Note	£000	2014 £000	£000	2013 £000
Current assets					
Debtors	9	7,567		24,590	
Creditors: amounts falling due within one year	10	(222)		(17,126)	
Net current assets			7,345		7,464
Total assets less current liabilities			7,345		7,464
Provisions for liabilities	11	-			(147)
Net assets			7,345		7,317
Capital and reserves					
Called up share capital	12		156,802		156,802
Share premium account	13		51,047		51,047
Other reserves	13		4,240		4,240
Employee share based equity reserve	13		57		57
Profit and loss account	13		(204,801)		(204,829)
Shareholders' funds	14		7,345		7,317

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 July 2015.



N C Smith
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. 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.

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 *Interest receivable and payable*

Interest receivable and payable are recognised in the profit and loss account on an accruals basis.

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 *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.

GE Capital TLS Limited

Notes to the financial statements

1. Accounting policies (continued)

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.

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 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 operated 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.

GE Capital TLS Limited

Notes to the financial statements

1. Accounting policies (continued)

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.

2. Operating loss

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

	2014 £000	2013 £000
Operating lease rentals charge/(reversal):		
- plant and machinery	-	(28)
- land and buildings	7	(75)
Loss on sale of tangible current assets	-	140
Section 75 pension charge	-	16,918
	<hr/>	<hr/>

3. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £000	2013 £000
Wages and salaries	-	478
Social security costs	6	56
Other pension costs	-	18,556
	<hr/>	<hr/>
	6	19,090
	<hr/>	<hr/>

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

	2014 No.	2013 No.
Management/administrative	-	9
	<hr/>	<hr/>

The amount of £16,918,000 recognised in the prior year in relation to the final settlement to exit the GE Pension Plan payable under section 75 of the Pensions Act 1995 has been settled in the current year.

GE Capital TLS Limited

Notes to the financial statements

4. Directors' remuneration

	2014 £000	2013 £000
Remuneration	-	85
Company pension contributions	-	17

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

5. Auditors' remuneration

Remuneration of £5,000 (2013: £1,000) paid to the auditors for their services was borne by a fellow group undertaking.

6. Interest receivable and similar income

	2014 £000	2013 £000
Interest receivable from group companies	59	87

7. Interest payable and similar charges

	2014 £000	2013 £000
On loans from group undertakings	1	-

GE Capital TLS Limited

Notes to the financial statements

8. Taxation

	2014 £000	2013 £000
Analysis of tax charge in the year		
UK corporation tax charge on profit/(loss) for the year	-	-
Deferred tax		
Origination and reversal of timing differences	-	128
Movement in deferred tax not provided for	-	(129)
Effect of decreased tax rate	-	(1)
Adjustment in respect of prior years	-	2
Total deferred tax	-	-
Tax on profit/(loss) on ordinary activities	-	-

Factors affecting current tax charge for the year

The current tax assessed for the year is lower than (2013: higher than) the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit/(loss) on ordinary activities before tax	28	(17,661)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	6	(4,106)
Effects of:		
Depreciation in excess of capital allowances	-	2
Short term timing differences	-	(131)
Expenses not deductible for tax purposes	-	34
Group relief for £nil consideration	(6)	4,201
Current tax charge for the year (see note above)	-	-

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.

There were no amounts of provided or unprovided deferred taxation as at 31 December 2014 or 31 December 2013.

GE Capital TLS Limited

Notes to the financial statements

9. Debtors

	2014 £000	2013 £000
<i>Due within one year</i>		
Amounts owed by group undertakings	6,883	23,757
Other debtors	684	685
Prepayments and accrued income	-	148
	<u>7,567</u>	<u>24,590</u>

10. Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Bank loans and overdrafts	-	2
Trade creditors	4	16
Other creditors	-	16,918
Accruals and deferred income	218	190
	<u>222</u>	<u>17,126</u>

11. Provisions for liabilities

	Provision for closure costs £000
At 1 January 2014	147
Crystallised and transferred to accruals	(147)
At 31 December 2014	<u>-</u>

Provision for closure costs

Closure costs comprised contractual lease costs and dilapidations.

12. Share capital

	2014 £000	2013 £000
<i>Allotted, called up and fully paid</i>		
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>

GE Capital TLS Limited

Notes to the financial statements

12. Share capital (continued)

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. Reserves

	Share premium account £000	Other reserves £000	Employee share based equity reserve £000	Profit and loss account £000
At 1 January 2014	51,047	4,240	57	(204,829)
Profit for the financial year	-	-	-	28
At 31 December 2014	<u>51,047</u>	<u>4,240</u>	<u>57</u>	<u>(204,801)</u>

14. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds	7,317	24,978
Profit/(loss) for the financial year	28	(17,661)
Equity compensation expense recognised during the year	-	4
Recharge from GE Company relating to share based payments	-	(4)
Closing shareholders' funds	<u>7,345</u>	<u>7,317</u>

GE Capital TLS Limited

Notes to the financial statements

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 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 pension refund for the year was £1,000 (2013: charge £1,638,000), including Enil (2013: Enil) 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 1.1, 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, has been settled in the current year.

16. 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.

GE Capital TLS Limited

Notes to the financial statements

16. Share based payments (continued)

(a) Share options

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

	2014 Weighted average exercise price \$	2014 Number of options No	2013 Weighted average exercise price \$	2013 Number of options No
Outstanding at the beginning of the year	18.58	2,000	19.36	3,400
Forfeited during the year	-	-	33.97	(300)
Exercised during the year	-	-	16.79	(1,100)
Outstanding at the end of the year	<u>18.58</u>	<u>2,000</u>	<u>18.58</u>	<u>2,000</u>

	2014 Weighted average exercise price \$	2014 Number of options No	2013 Weighted average exercise price \$	2013 Number of options No
Exercisable at the end of the year	<u>18.58</u>	<u>2,000</u>	<u>18.58</u>	<u>2,000</u>

	\$	\$
For share options exercised during the year weighted average share price on date of exercise	-	22.84

	Minimum \$	Maximum \$	Minimum \$	Maximum \$
Range of exercise price for outstanding options	<u>18.58</u>	<u>18.58</u>	<u>18.58</u>	<u>18.58</u>

	Years	Years
Weighted average remaining contractual life of outstanding options in years	3.81	4.81

GE Capital TLS Limited

Notes to the financial statements

16. 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 2014, 2013 and 2012 was \$5.26, \$4.52 and \$3.80, respectively.

The following assumptions were used in arriving at the fair value of options granted during 2014, 2013 and 2012, respectively: risk-free interest rates of 2.3%, 2.5% and 1.3%; dividend yields of 3.1%, 4.0% and 4.0%; expected volatility of 26%, 28% and 29%; and expected lives of 7.3 years, 7.5 years 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 and 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 (2013: 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 2014, 2013 and 2012 was \$26.08, \$24.54 and \$20.79 respectively.

The average monthly exchange rate during the year end was \$1.65:£1.

The opening exchange rate was \$1.61:£1.

The closing exchange rate was \$1.57:£1.

(c) Expense arising from share based payment transactions

	2014 £000	2013 £000
Share options	-	4

17. Post balance sheet event

On 10 April 2015, the GE group 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 made no formal or contractual commitment to dispose of its assets or business.

GE Capital TLS Limited

Notes to the financial statements

18. 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.