

Barcom Limited

Directors' report and financial statements
For the year ended 31 December 2005
Registered number: 2158109



Barcom Limited

Directors' report and financial statements

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Barcom Limited

Directors' report

The directors present their report and audited financial statements of the company for the year ended 31 December 2005.

Principal activities

The principal activity of the company's trading subsidiary is to provide plant hire services to the construction industry generally.

The company provided financial support to its only trading subsidiary undertaking during the year.

Results and dividends

The company made a loss before tax during the year of £9,920,000 (2004: loss of £10,065,000).

The directors do not recommend the payment of a dividend (2004: *Nil*).

Business review

On 16 December 2005, the company purchased 38,044,165 ordinary shares of £1 each in Key Leasing Limited for cash consideration of £1 from TIP Europe Limited.

Directors and directors' interests

The directors who held office during the year and up to the date of the directors' report were as follows:

D Edwards
A Bish

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.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditor of the company is to be proposed at the forthcoming annual general meeting.

By order of the board

Andrew Bish
Director



100 Barbirolli Square
Manchester
M2 3AB

31st May

2006

Barcom Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards.

The financial statements are required by law to 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 year.

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; and
- 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 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.



KPMG Audit Plc

100 Temple Street
Bristol
BS1 6AG
United Kingdom

Independent auditors' report to the members of Barcom Limited

We have audited the financial statements of Barcom Limited for the year ended 31 December 2005, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's 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 described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you if, in our opinion, the Directors' 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Independent auditors' report to the members of Barcom Limited (continued)

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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 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

2 June 2006

Barcom Limited

Profit and loss account for the year ended 31 December 2005

	Note	2005 £000	2004 £000
Administrative expenses		-	(406)
Operating loss		-	(406)
Group dividend receivable		-	400
Loss on ordinary activities before interest and taxation	2	-	(6)
Interest receivable and similar income	5	756	587
Exceptional item: amounts written off investments	6	(10,000)	(10,000)
Interest payable and similar charges	7	(676)	(646)
Loss on ordinary activities before taxation		(9,920)	(10,065)
Tax on loss on ordinary activities	8	-	-
Loss for the financial year	14	(9,920)	(10,065)

The notes on pages 7 to 12 form part of these financial statements.

The movement in reserves is shown in note 14 to these financial statements.

The results in the above profit and loss account relate entirely to continuing operations.

The company has no recognised gains or losses other than those dealt with in the profit and loss account above and therefore no separate statement of total recognised gains or losses has been presented.

The loss for the current and preceding financial year calculated on a historical cost basis is not materially different to the loss disclosed above. Accordingly a note of historical cost profits and losses as required by paragraph 26 of FRS 3 has not been presented.

Barcom Limited

Balance sheet at 31 December 2005

	Note	2005 £000	2004 £000
Fixed assets			
Investments	9	30,000	40,000
Current assets			
Debtors	10	1,084	12,873
Creditors: amounts falling due within one year	11	(1)	(647)
Net current assets		<u>1,083</u>	<u>12,226</u>
Total assets less current liabilities		<u>31,083</u>	<u>52,226</u>
Creditors: amounts falling due after more than one year	12	-	(11,223)
Net assets		<u><u>31,083</u></u>	<u><u>41,003</u></u>
Capital and reserves			
Called up share capital	13	30,541	30,541
Share premium account	14	25,761	25,761
Special reserve	14	3,193	3,193
Profit and loss account	14	(28,412)	(18,492)
Shareholders' funds	14	<u><u>31,083</u></u>	<u><u>41,003</u></u>

The notes on pages 7 to 12 form part of these financial statements.

These financial statements were approved by the board of directors on 31st May 2006 and signed on its behalf by:

Andrew Bish
Director



Barcom 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 financial statements, except as noted below.

In these financial statements the following new standards have been adopted for the first time:

- FRS 21 'Events after the balance sheet date'; and
- FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS21 'Events after the balance sheet date' has had no impact on the current or prior year. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985.

(a) Basis of preparation

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

(b) Group accounts

The company is exempt under Section 228 of the Companies Act 1989 from the requirement to prepare and deliver group financial statements. These financial statements present information about Barcom Limited as an individual undertaking and not about its group.

(c) Investments

Investments in subsidiary undertakings are stated at cost less provisions for permanent diminutions in value where necessary.

(d) Taxation

The charge for taxation is based on the profit for the year. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax assets are recognised to the extent that the directors consider those assets to be recoverable.

(e) Cash flow statement

Under FRS 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement. The 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 and can be obtained from the address given in note 15.

Barcom Limited

Notes (continued)

1. Accounting policies

(f) 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 available to the public and can be obtained from the address given in note 15.

2. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):

	2005 £000	2004 £000
Write off of amounts owed by group undertaking	-	406

Any remuneration received by the auditors during the current or previous year for audit and non-audit related services was borne by fellow group undertakings.

3. Directors' remuneration

No director received any remuneration in respect of services to the company during the current or preceding financial years.

4. Employee information

The company did not employ any staff during the current or preceding financial year.

5. Interest receivable and similar income

	2005 £000	2004 £000
On amounts owed by group undertakings	756	587

6. Amounts written off investments

	2005 £000	2004 £000
Provision against investment in subsidiary undertaking	10,000	10,000

Barcom Limited

Notes (continued)

7. Interest payable and similar charges

	2005 £000	2004 £000
On amounts owed to group undertakings	676	646

8. Tax on loss on ordinary activities

a) Analysis of charge in the year at 30% (2004: 30%)

	2005 £000	2004 £000
UK corporation tax at 30% (2004: 30%)	-	-
Total current tax	-	-

b) Factors affecting current tax charge in year

	2005 £000	2004 £000
Loss on ordinary activities before tax	(9,920)	(10,065)
Tax on loss on ordinary activities at UK standard rate of 30% (2004: 30%)	(2,976)	(3,019)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3,000	3,002
Group relief not paid for	-	17
Other	(24)	-
Total current tax charge for the year	-	-

There are no amounts provided or unprovided in respect of deferred taxation for the current or preceding financial year

Barcom Limited

Notes (continued)

9. Investments

	Shares £000	Loans £000	Total £000
Subsidiary undertakings			
Cost:			
At beginning of year	55,900	9,943	65,843
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	55,900	9,943	65,843
	<hr/>	<hr/>	<hr/>
Provision:			
At beginning of year	15,900	9,943	25,843
During the year	10,000	-	10,000
	<hr/>	<hr/>	<hr/>
At end of year	25,900	9,943	35,843
	<hr/>	<hr/>	<hr/>
Net book value:			
31 December 2005	30,000	-	30,000
	<hr/>	<hr/>	<hr/>
31 December 2004	40,000	-	40,000
	<hr/>	<hr/>	<hr/>

On 16 December 2005, the company purchased 38,044,165 ordinary shares of £1 each in Key Leasing Limited for cash consideration of £1 from TIP Europe Limited.

The company owns the following subsidiaries all of which are registered in England and Wales.

Subsidiary undertaking	Principal activities	Proportion of issued share capital held by the company %	Class of shares
GE Capital Equipment Services Limited	Fleet management, sale and servicing of plant	100	Ordinary
PTL Plant Hire Limited	Non-trading	100	Ordinary
Key Leasing Limited	Trading	100	Ordinary

Barcom Limited

Notes (continued)

10. Debtors

	2005 £000	2004 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	167	754
Amounts falling due after more than one year:		
Amounts owed by group undertakings	917	12,119
	<u>1,084</u>	<u>12,873</u>

11. Creditors: amounts falling due within one year

	2005 £000	2004 £000
Amounts owed to group undertakings	-	647
Other creditors	1	-
	<u>1</u>	<u>647</u>

12. Creditors: amounts falling due after more than one year

	2005 £000	2004 £000
Amounts owed to group undertakings	-	11,223
	<u>-</u>	<u>11,223</u>

13. Share capital

	2005 £000	2004 £000
Authorised:		
250,000,000 ordinary shares of 20p each	50,000	50,000
Allotted, called up and fully paid:		
152,707,000 ordinary shares of 20p each	30,541	30,541
	<u>30,541</u>	<u>30,541</u>

Barcom Limited

Notes

(continued)

14. Reconciliation of movements in shareholders' funds

	Called up share capital £000	Share premium account £000	Special reserve £000	Profit and loss account £000	Share- holders' funds 2005 £000	Share- holders' funds 2004 £000
At beginning of year	30,541	25,761	3,193	(18,492)	41,003	12,068
Shares issued during the year	-	-	-	-	-	39,000
Loss for the year	-	-	-	(9,920)	(9,920)	(10,065)
At end of year	30,541	25,761	3,193	(28,412)	31,083	41,003

15. Parent undertaking

The company's immediate parent undertaking is GE Capital Corporation (Holdings), a company registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by IGE USA Investments, a company registered in England and Wales. The consolidated financial statements of this company are available to the public and may be obtained from 100 Barbirolli Square, Manchester, M2 3AB, United Kingdom.

The largest group in which the results of the company are consolidated is that headed by the company's ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06431, USA or at www.ge.com.