

Barcom Limited

Directors' report and financial statements

For the year ended 31 December 2007

Registered number 2158109

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Barcom Limited

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Barcom Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2007

Principal activities

The principal activity of the company is that of a holding company

Business review

Following an investment valuation review, £10,000,000 has been written off the investment in GE Capital Equipment Services Limited

Principal risks and uncertainties

The management of the business is subject to a number of risks, these relate to the performance of its trading subsidiaries. The key business risks and uncertainties of the company's subsidiaries relate to the demand cycles of the construction industry, valuation of second hand equipment and changes to leasing legislation or taxation law

Results and dividends

The loss for the year, after taxation, amounted to £9,947,000 (2006 loss £19,611,000)

The directors do not recommend the payment of a dividend (2006 Nil)

Directors

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

D Edwards (resigned 12 February 2007)
C D'Amassa (appointed 12 February 2007)
E F Mannion (appointed 12 February 2007)
J Matthew (resigned 9 February 2007)
A J Way (appointed 12 February 2007 & resigned 1 October 2007)

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
- each 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

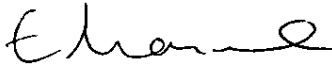
Barcom Limited

Directors' report

Auditors

The auditors, KPMG Audit Plc, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on 23 April 2008 and signed on its behalf



E F Mannion
Director

100 Barbirolli Square
Manchester
M2 3AB

Barcom Limited

Statement of directors' responsibilities for the year ended 31 December 2007

The directors are responsible for preparing the annual 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). 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 proper accounting records that 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 1985. 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.

Barcom Limited

Independent auditors' report to the members of Barcom Limited

We have audited the financial statements of Barcom Limited for the year ended 31 December 2007, which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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.

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.

Barcom Limited

Independent auditors' report to the members of Barcom Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

KPMG Audit PLC

KPMG Audit Plc

Chartered Accountants
Registered Auditor

100 Temple Street
Bristol
BS1 6AG

23 April 2008

Barcom Limited

Profit and loss account for the year ended 31 December 2007

	Note	2007 £000	2006 £000
Administrative income		<u>1</u>	<u>1</u>
Operating profit		1	1
Amount written off investments	6	<u>(10,000)</u>	<u>(20 000)</u>
Loss on ordinary activities before interest		(9,999)	(19,999)
Income from shares in group undertakings		-	288
Interest receivable and similar income	4	<u>52</u>	<u>100</u>
Loss on ordinary activities before taxation		(9,947)	(19,611)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation	10	<u>(9,947)</u>	<u>(19,611)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the profit and loss account

The notes on pages 8 to 12 form part of these financial statements

Barcom Limited

Balance sheet as at 31 December 2007

	Note	£000	2007 £000	£000	2006 £000
Fixed assets					
Fixed asset investments	6		14,818		24,818
			<u>14,818</u>		<u>24,818</u>
Current assets					
Debtors	7	1,524		1,472	
Creditors amounts falling due within one year	8	-		(1)	
Net current assets			<u>1,524</u>		<u>1,471</u>
Total assets less current liabilities			<u><u>16,342</u></u>		<u><u>26,289</u></u>
Capital and reserves					
Called up share capital	9		31,541		31,541
Share premium account	10		25,761		25,761
Other reserves	10		17,010		17,010
Profit and loss account	10		(57,970)		(48,023)
Shareholders' funds	11		<u><u>16,342</u></u>		<u><u>26,289</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 April 2008



E F Mannion
Director

The notes on pages 8 to 12 form part of these financial statements

Barcom 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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228A of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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 *Investments*

Investments in subsidiaries are valued at cost less provision for impairment.

1.4 *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.

1.5 *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 Auditors' remuneration

Remuneration of £2,000 (2006: £2,000) paid to the auditors for their services to the company was borne by a fellow group undertaking.

3 Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2006: £nil).

Barcom Limited

Notes to the financial statements

4 Interest receivable and similar income

	2007 £000	2006 £000
Interest receivable from group companies	52	100

5 Taxation

	2007 £000	2006 £000
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2006 higher than) the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007 £000	2006 £000
Loss on ordinary activities before tax	(9,947)	(19,611)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 30%)	(2,984)	(5,883)

Effects of

Impairment charge not deductible for tax purposes	3,000	6,000
Utilisation of losses brought forward	(16)	(30)
Non-taxable income	-	(87)

Current tax charge for the year (see note above)

	-	-
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Factors that may affect future tax charges

From 1 April 2008 the rate of UK corporation tax changes from 30% to 28%. 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 2007 or 31 December 2006

Barcom Limited

Notes to the financial statements

6 Fixed asset investments

	Shares in group under- takings £000
Cost or valuation	
At 1 January 2007 and 31 December 2007	70,718
Impairment	
At 1 January 2007	45,900
Charge for the year	10,000
At 31 December 2007	55,900
Net book value	
At 31 December 2007	14,818
At 31 December 2006	24,818

Details of the company's subsidiaries are listed below. All subsidiary undertakings are registered in England and Wales.

Name and nature of business	Class of shares held	Percentage of shares held
GE Capital Equipment Services Limited <i>Fleet management, sale and servicing of plant</i>	Ordinary	100%
Key Leasing Limited <i>Leasing</i>	Ordinary	100%

The company's subsidiary PTL Plant Hire Limited, was dissolved on 13 March 2007.

The company's subsidiary, Inhoco 3321, was dissolved on 15 May 2007.

7 Debtors

	2007 £000	2006 £000
Due after more than one year		
Amounts owed by group undertakings	1,524	1,183
Due within one year		
Amounts owed by group undertakings	-	289
	<u>1,524</u>	<u>1,472</u>

Barcom Limited

Notes to the financial statements

8 Creditors Amounts falling due within one year

	2007 £000	2006 £000
Amounts owed to group undertakings	-	1

9 Share capital

	2007 £000	2006 £000
Authorised		
250,000,000 ordinary shares of 20p each	50,000	50,000
Allotted, called up and fully paid		
157,706,716 ordinary shares of 20p each	31,541	31,541

10 Reserves

	Share premium account £000	Other reserves £000	Profit and loss account £000
At 1 January 2007	25,761	17,010	(48,023)
Loss for the year	-	-	(9,947)
At 31 December 2007	25,761	17,010	(57,970)

11 Reconciliation of movement in shareholders' funds

	2007 £000	2006 £000
Opening shareholders' funds	26,289	31,082
Loss for the year	(9,947)	(19,611)
Shares issued during the year	-	1,000
Arising on Key Leasing share for share exchange	-	13,818
Closing shareholders' funds	16,342	26,289

Barcom Limited

Notes to the financial statements

12 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is GE Capital Corporation (Holdings), 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 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 06828, USA or at www.ge.com