

igroup Limited

Directors' report and financial statements

For the year ended 31 December 2010

Registered number 3389478



igroup Limited

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Directors' report

The directors present their report and the financial statements for the year ended 31 December 2010

Principal activities and business review

The principal activity of the company is that of a holding company, and this is expected to continue for the foreseeable future

Results and dividends

The loss for the year, after taxation, amounted to £2,040,000 (2009 loss £3,792,000)

An interim dividend of £607,900 (2009 £nil) was paid during the year to Malvern House Acquisition Limited, the company's immediate parent undertaking

The directors do not recommend the payment of a final dividend (2009 £nil)

Directors

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

D G Berry
M S Johar
I G Ferguson
D Harvey
C J V Shave (resigned 31 December 2010)
W J Flynn (resigned 30 June 2010)
A Xavier-Phillips (appointed 30 June 2010)
A Simmons (appointed 12 January 2011)
C Gunnigle (appointed 28 January 2011)
R J Garden (appointed 30 June 2010)

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
- the 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

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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 7 June 2011 and signed on its behalf



M S Johar
Director

Building 4, Hatters Lane
Croxley Green Business Park
Watford
Hertfordshire
United Kingdom
WD18 8YF

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Statement of directors' responsibilities for the year ended 31 December 2010

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 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.

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Independent auditors' report to the members of igroup Limited

We have audited the financial statements of igroup Limited for the year ended 31 December 2010, 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 statement of directors' responsibilities, 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.

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 2010 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.

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.


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Independent auditors' report to the members of Igroup 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



N J Hillyard (Senior statutory auditor)

for and on behalf of
KPMG Audit Plc

Statutory Auditor
Chartered Accountants

1 The Embankment
Neville Street
Leeds
United Kingdom
LS1 4DW

Date 7 June 2011

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Profit and loss account for the year ended 31 December 2010

	Note	2010 £000	2009 £000
Dividend received from group undertakings		608	-
Interest receivable and similar income	5	1,102	1,586
Interest payable and similar charges	6	(3,750)	(5,378)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(2,040)	(3,792)
Tax on loss on ordinary activities	7	-	-
		<hr/>	<hr/>
Loss for the financial year	13	(2,040)	(3,792)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2010 or 2009 other than those included in the profit and loss account

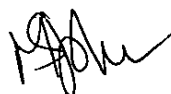
The notes on pages 8 to 13 form part of these financial statements

igroup Limited
Registered number 3389478

Balance sheet
as at 31 December 2010

	Note	£000	2010 £000	£000	2009 £000
Fixed assets					
Fixed asset investments	8		269,260		269,260
Current assets					
Debtors amounts falling due after more than one year	9	57,703		57,703	
Debtors amounts falling due within one year	9	4,890		3,788	
Cash at bank		93		93	
		<u>62,686</u>		<u>61,584</u>	
Creditors amounts falling due within one year	10	(20,293)		(16,543)	
Net current assets			<u>42,393</u>		<u>45,041</u>
Total assets less current liabilities			<u>311,653</u>		<u>314,301</u>
Creditors amounts falling due after more than one year	11		(189,896)		(189,896)
Net assets			<u>121,757</u>		<u>124,405</u>
Capital and reserves					
Called up share capital	12		24,363		24,363
Profit and loss account	13		97,394		100,042
Shareholders' funds	14		<u>121,757</u>		<u>124,405</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2011



M S Johar
Director

The notes on pages 8 to 13 form part of these financial statements

igroup 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 401 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

On the basis of their assessment of the company's financial position and resources, the directors believe that the company is well placed to manage its business risks. Therefore the company's directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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

The company's investment in subsidiary undertaking is 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.

igroup Limited

Notes to the financial statements

2 Staff costs

There are no direct employees of the company (2009 £nil). Employees are remunerated by another group company, under their contracts of employment with that company. There were no recharged costs to the company in the current and prior period. Full disclosure regarding employees can be found in the financial statements of GE Money Servicing Limited.

3 Directors' remuneration

The company paid for no directors' remuneration (2009 £nil). None of the directors had any pension benefits provided by the company (2009 £nil).

All of the current directors are also directors of GE Money Home Lending Holdings Limited, a parent undertaking and/or GE Money Servicing Limited, a fellow subsidiary undertaking, and do not specifically receive any remuneration in respect of their services to the company. It was not possible to determine an appropriate proportion of their services on behalf of the company. Accordingly disclosure regarding their total emoluments can be found in the financial statements of these companies.

4 Auditors' remuneration

	2010 £000	2009 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	3	2

Remuneration paid to the auditors for their audit services to the company was borne by a fellow group undertaking.

5 Interest receivable and similar income

	2010 £000	2009 £000
Interest receivable from group undertakings	1,102	1,586

6 Interest payable and similar charges

	2010 £000	2009 £000
Interest payable to group undertakings	3,750	5,378

7 Taxation

	2010 £000	2009 £000
UK corporation tax charge on loss for the year	-	-

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Notes to the financial statements

7 Taxation (continued)

Factors affecting current tax charge for the year

The current tax assessed for the year is higher than (2009 higher than) the standard rate of corporation tax in the UK of 28% (2009 28%). The differences are explained below

	2010 £000	2009 £000
Loss on ordinary activities before tax	(2,040)	(3,792)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	(571)	(1,062)
Effects of		
Non-taxable income	(170)	-
Group relief not paid for	741	1,062
Current tax charge for the year (see note above)	-	-

Factors that may affect future tax charges

From 1 April 2011 the rate of UK corporation tax that was enacted at the balance sheet date was 27%. Subsequently, the UK government has announced that the UK corporation tax rate will reduce from 28% to 26% on 1 April 2011. It is expected that the corporation tax rate will change to 23% over the following three years. 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 2010 or 31 December 2009.

8 Fixed asset investments

	Investment in subsidiary undertakings £000
Cost and net book value	
At 1 January 2010 and 31 December 2010	269,260

igroup Limited

Notes to the financial statements

8 Fixed asset investments (continued)

In the opinion of the directors, the value of the investment in subsidiary undertakings is not less than the amounts at which they are stated in the balance sheet

Details of the company's subsidiary undertakings, registered in England and Wales are set out as below. All companies are directly owned, except where otherwise stated

Name and nature of business	Class of shares held	Percentage of shares held
igroup holdings limited - <i>Investment holding company</i>	Ordinary	100%
igroup bda limited* - <i>Secured lending company</i>	Ordinary	100%
* indirect holding		

9 Debtors

	2010 £000	2009 £000
Due after more than one year		
Amounts owed by group undertakings	57,703	57,703
Due within one year		
Amounts owed by group undertakings	4,890	3,788

10 Creditors Amounts falling due within one year

	2010 £000	2009 £000
Amounts owed to group undertakings	20,293	16,543

11 Creditors Amounts falling due after more than one year

	2010 £000	2009 £000
Amounts owed to group undertakings	189,896	189,896

The maturity profile of the company's non-current liabilities as at 31 December 2010 is after more than five years from the balance sheet date. All amounts are interest bearing at various margins above LIBOR

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Notes to the financial statements

12 Share capital

	2010 £000	2009 £000
<i>Allotted, called up and fully paid</i>		
24,363,394 ordinary shares of £1 each	<u>24,363</u>	<u>24,363</u>

13 Reserves

	Profit and loss account £000
At 1 January 2010	100,042
Loss for the year	(2,040)
Interim dividend Equity capital (Note 15)	(608)
	<u>97,394</u>
At 31 December 2010	

14 Reconciliation of movement in shareholders' funds

	2010 £000	2009 £000
Opening shareholders' funds	124,405	128,197
Loss for the year	(2,040)	(3,792)
Interim dividend (Note 15)	(608)	-
	<u>121,757</u>	<u>124,405</u>
Closing shareholders' funds		

15 Dividends

	2010 £000	2009 £000
Interim dividend paid £607,900 (2009: £nil) £0.025 per £1 share	<u>608</u>	<u>-</u>

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Notes to the financial statements

16 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Malvern House Acquisition Limited, a company registered in England and Wales

The smallest group in which the results of the company are consolidated is that of GE Money Home Lending Holdings Limited, a company registered in England and Wales. The consolidated financial statements of GE Money Home Lending Holdings Limited are available to the public and may be obtained from Building 4, Hatters Lane, Croxley Green Business Park, Watford, Hertfordshire, United Kingdom WD18 8YF

The 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