

# GE Commercial Finance Fleet Leasing Ltd

## Directors' report and financial statements

for the year ended 31 December 2011

Registered number 04265122



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# GE Commercial Finance Fleet Leasing Ltd

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# GE Commercial Finance Fleet Leasing Ltd

## Directors' report

The directors present their report and the financial statements for the year ended 31 December 2011

### Principal activities

The principal activity of the company is the leasing of motor vehicles

### Results and dividends

The loss for the year, after taxation, amounted to £722,325 (2010 loss £968,822)

The directors do not recommend the payment of a dividend (2010 £nil)

### Directors

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

W H McGibbon FCCA (resigned 30 September 2011)

J M Jenkins

H Fitzpatrick

T D Ford (resigned 14 January 2011)

D M Millard

G Killeen (appointed 15 April 2011)

### 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
- that 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

### 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 19 June 2012 and signed on its behalf



Director

J. JENKINS

Old Hall Road  
Sale  
Cheshire  
M33 2GZ

# GE Commercial Finance Fleet Leasing Ltd

## Directors' responsibilities statement for the year ended 31 December 2011

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 adequate 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 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 Commercial Finance Fleet Leasing Ltd

## Independent auditors' report to the members of GE Commercial Finance Fleet Leasing Ltd

We have audited the financial statements of GE Commercial Finance Fleet Leasing Ltd for the year ended 31 December 2011, 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. 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 2011 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.


# GE Commercial Finance Fleet Leasing Ltd

## Independent auditors' report to the members of GE Commercial Finance Fleet Leasing Ltd

### 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



Nicholas J Edmonds (senior statutory auditor)

for and on behalf of  
**KPMG Audit Plc**

Statutory Auditor  
Chartered Accountants

100 Temple Street  
Bristol  
BS1 6AG  
Date

28/6/12

# GE Commercial Finance Fleet Leasing Ltd

## Profit and loss account for the year ended 31 December 2011

	Note	2011 £	2010 £
Gross earnings	2	257,188	210,338
Other operating (expenses)/income		(505,513)	260,084
<b>Operating (loss)/profit</b>	4	<b>(248,325)</b>	470,422
Interest receivable and similar income	6	7,391	22,331
Interest payable and similar charges	7	(90,026)	(77,629)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(330,960)</b>	415,124
Tax on (loss)/profit on ordinary activities	8	(391,365)	(1,383,946)
<b>Loss for the financial year</b>	14	<b>(722,325)</b>	(968,822)

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 7 to 13 form part of these financial statements

GE Commercial Finance Fleet Leasing Ltd  
Registered number 04265122

Balance sheet  
as at 31 December 2011

	Note	£	2011 £	£	2010 £
<b>Current assets</b>					
Debtors	9	2,581,191		2,798,288	
<b>Creditors</b> amounts falling due within one year	11	<u>(7,420,054)</u>		<u>(6,914,826)</u>	
<b>Net current liabilities</b>			<u>(4,838,863)</u>		<u>(4,116,538)</u>
<b>Net liabilities</b>			<u>(4,838,863)</u>		<u>(4,116,538)</u>
<b>Capital and reserves</b>					
Called up share capital	13		100		100
Profit and loss account	14		<u>(4,838,963)</u>		<u>(4,116,638)</u>
<b>Shareholders' deficit</b>	15		<u>(4,838,863)</u>		<u>(4,116,538)</u>

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

19 June 2012.

Director

J. JENKINS.

The notes on pages 7 to 13 form part of these financial statements



# GE Commercial Finance Fleet Leasing Ltd

## 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.

The financial statements have been prepared on a going concern basis notwithstanding net liabilities of £4,838,863 (2010: £4,116,538).

The directors have reviewed the financial position of the company, including the arrangements with group undertakings. The directors have considered the financial position of the company's immediate group and ultimate parent.

On the basis of their assessment of the company's financial position and of the enquiries made by the directors, the company's directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the immediate group to continue as a going concern. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although at the date of approval of these financial statements, they have no reason that it will not do so. Accordingly they expect that the company will be able to continue in operational existence for the foreseeable future and hence 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 Turnover

Turnover represents amounts receivable on gross earnings from finance leases. This excludes VAT and trade discounts. The income recognition policies have been selected to best represent the substance of the relevant transactions. All turnover arose in the United Kingdom.

#### 1.4 Taxation

Taxation for the year is based on the (loss)/profit 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.

# GE Commercial Finance Fleet Leasing Ltd

## Notes to the financial statements

### 1. Accounting policies (continued)

#### 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

#### 1.6 Finance leases

Where the company leases out equipment and there is a transfer of substantially all of the risks and rewards of ownership to the lessee, the lease is accounted for as a finance lease, and the net investment is included in current assets. Income from finance leases is credited to the profit and loss account, in proportion to the funds invested. Finance lease receivables, net of introduction fees, are amortised over the period for which they are receivable on a basis calculated to give an approximately constant rate of return of funds invested

#### 1.7 Bad and doubtful debts

The company makes provision for specific bad debts as they arise, taking into account recoveries from the customer and sale proceeds of the assets. The company also monitors the credit performance of its portfolio and calculates a general bad debt provision to cover likely future losses

#### 1.8 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

# GE Commercial Finance Fleet Leasing Ltd

## Notes to the financial statements

### 2 Gross earning under finance lease agreements

	2011 £	2011 £	2010 £	2010 £
<b>Leases</b>				
Finance lease aggregate rentals	9,486,804		6,255,714	
Finance lease capital repayments	<u>(9,400,078)</u>		<u>(6,193,080)</u>	
Finance lease gross earnings		86,726		62,634
Other turnover		<u>201,886</u>		<u>184,545</u>
<b>Turnover</b>		288,612		247,179
Other cost of sales		<u>(31,424)</u>		<u>(36,841)</u>
Gross earnings		<u>257,188</u>		<u>210,338</u>

### 3 Auditors' remuneration

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>8,000</u>	<u>8,000</u>

### 4 Operating (loss)/profit

The operating (loss)/profit is stated after charging

	2011 £	2010 £
Foreign exchange loss	<u>10</u>	<u>40</u>

### 5 Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2010 £nil)

### 6 Interest receivable and similar income

	2011 £	2010 £
On loans to group companies	<u>7,391</u>	<u>22,331</u>

# GE Commercial Finance Fleet Leasing Ltd

## Notes to the financial statements

### 7 Interest payable and similar charges

	2011 £	2010 £
On loans from group undertakings	90,026	77,629

### 8 Taxation

	2011 £	2010 £
<b>Analysis of tax charge in the year</b>		
UK corporation tax charge on (loss)/profit for the year	1,775,311	1,383,946
Adjustments in respect of prior periods	(1,383,946)	-
<b>Total current tax</b>	<b>391,365</b>	<b>1,383,946</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,862,994)	(1,267,711)
Effect of decreased tax rate on opening liability	543,096	218,897
Adjustment in respect of prior years	(4,116)	905,329
Movement in deferred tax not provided	1,324,014	143,485
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>
<b>Tax on (loss)/profit on ordinary activities</b>	<b>391,365</b>	<b>1,383,946</b>

#### Factors affecting current tax charge for the year

The current tax assessed for the year is higher than (2010 higher than) the standard rate of corporation tax in the UK of 26.5% (2010 28%). The differences are explained below

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	(330,960)	415,124
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	(87,683)	116,235
<b>Effects of</b>		
Capital allowances for year in excess of depreciation	1,862,994	1,267,711
Adjustments to tax charge in respect of prior periods	(1,383,946)	-
<b>Current tax charge for the year (see note above)</b>	<b>391,365</b>	<b>1,383,946</b>

# GE Commercial Finance Fleet Leasing Ltd

## Notes to the financial statements

### 8 Taxation (continued)

#### *Factors that may affect future tax charges*

Deferred tax assets and liabilities on all timing differences have been calculated at 25%, being the rate of UK corporation tax that was enacted at the balance sheet date, including those expected to reverse in the year ended 31 December 2012 (the overall average rate for which would otherwise be 25.25%). The impact of this, and that of the below changes in the corporation tax rate, on the financial statements is not considered to be material.

The rate of UK corporation tax that was enacted at the balance sheet date was 25% which is applicable from 1 April 2012. Subsequently, the UK government has announced that the UK corporation tax rate will reduce from 26% to 24% on 1 April 2012. It is expected that the corporation tax rate will reduce to 22% over the following two years. There are no other factors that may significantly affect future tax charges.

### 9 Debtors

	2011 £	2010 £
Trade debtors	265,862	251,298
Amounts owed by group undertakings	2,192,367	2,130,794
Net investment in finance leases (note 10)	49,602	-
Other debtors	73,360	416,196
	<u>2,581,191</u>	<u>2,798,288</u>

Amounts owed by group undertaking carry interest at LIBOR plus 100bps and are repayable on demand.

### 10 Net investment in finance leases

	Gross receivables £	Finance charges £	Net investment £
Due within one year	<u>49,602</u>	<u>-</u>	<u>49,602</u>

The cost of assets acquired during the year in respect of finance leases was £9,202,777 (2010: £5,669,177).

# GE Commercial Finance Fleet Leasing Ltd

## Notes to the financial statements

### 11 Creditors Amounts falling due within one year

	2011 £	2010 £
Payments received on account	175,174	141,411
Trade creditors	498,135	429,700
Amounts owed to group undertakings	4,968,611	4,959,769
Corporation tax	1,775,311	1,383,946
Accruals and deferred income	2,823	-
	<u>7,420,054</u>	<u>6,914,826</u>

Amounts owed to group undertaking carry interest at LIBOR plus 100bps and are repayable on demand

### 12 Deferred taxation

The amounts recognised and unrecognised in respect of deferred taxation are set out below

	2011 Recognised £	2011 Unrecognised £	2010 Recognised £	2010 Unrecognised £
Accelerated capital allowances	-	7,234,226	-	5,910,212

The directors have decided not to recognise a deferred tax asset due to uncertainty over the future generation of taxable profits by the business

There were no amounts of provided deferred taxation as at 31 December 2011 or 31 December 2010

### 13 Share capital

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 14 Reserves

	Profit and loss account £
At 1 January 2011	(4,116,638)
Loss for the year	(722,325)
At 31 December 2011	<u>(4,838,963)</u>

# GE Commercial Finance Fleet Leasing Ltd

## Notes to the financial statements

### 15 Reconciliation of movement in shareholders' deficit

	2011 £	2010 £
Opening shareholders' deficit	(4,116,538)	(3,147,716)
Loss for the year	(722,325)	(968,822)
Closing shareholders' deficit	<u>(4,838,863)</u>	<u>(4,116,538)</u>

### 16 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is GE Commercial Finance Fleet Services Ltd, 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)