

GE Commercial Finance Fleet Products Ltd

Directors' report and financial statements

for the year ended 31 December 2011

Registered number 04265132

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GE Commercial Finance Fleet Products Ltd

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GE Commercial Finance Fleet Products 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 profit for the year, after taxation, amounted to £939,000 (2010 £640,000)

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

H A T Fitzpatrick

J M Jenkins

T D Ford (resigned 14 January 2011)

W H McGibbon FCCA (resigned 30 September 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 13 June 2012 and signed on its behalf



Director

J. JENKINS

Old Hall Road
Sale
Cheshire
M33 2GZ

GE Commercial Finance Fleet Products 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 Products Ltd

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

We have audited the financial statements of GE Commercial Finance Fleet Products 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 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.

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.

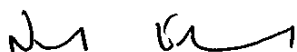
GE Commercial Finance Fleet Products Ltd

Independent auditors' report to the members of GE Commercial Finance Fleet Products 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 26/6/12

GE Commercial Finance Fleet Products Ltd

Profit and loss account for the year ended 31 December 2011

	Note	2011 £000	2010 £000
Turnover	2	3,614	4,835
Cost of sales	2	(2,276)	(3,258)
Gross profit		1,338	1,577
Administrative expenses		(436)	(1,069)
Other operating income		136	197
Operating profit	3	1,038	705
Interest receivable and similar income	6	4	27
Interest payable and similar charges	7	(41)	(8)
Profit on ordinary activities before taxation		1,001	724
Tax on profit on ordinary activities	8	(62)	(84)
Profit for the financial year	13	939	640

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 Products Ltd

Registered number 04265132

Balance sheet
as at 31 December 2011

	Note	£000	2011 £000	£000	2010 £000
Fixed assets					
Tangible assets	9		4,838		7,933
Current assets					
Debtors	10	23,507		31,526	
Creditors amounts falling due within one year	11	(25,869)		(37,922)	
Net current liabilities			(2,362)		(6,396)
Net assets			2,476		1,537
Capital and reserves					
Called up share capital	12		-		-
Profit and loss account	13		2,476		1,537
Shareholders' funds	14		2,476		1,537

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

13 June 2012.



Director

S. JENKINS.

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

GE Commercial Finance Fleet Products 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

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 Turnover

Turnover represents amounts receivable on an accrual basis in respect of lease rentals from operating leases and service fees in respect of the lease vehicles funded by third parties. 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 United Kingdom

1.4 Residual values

Residual value exposure occurs due to the uncertain nature of the value of an asset at the end of an agreement. Throughout the life of an asset its residual value will fluctuate because of the uncertainty of the future market and technological changes or product enhancements as well as general economic conditions. Residual values are set at the commencement of the lease based upon management's expectations of future values. During the course of the lease residual values are reviewed on an annual basis so as to identify any impairment provision required. This monitoring takes account of the company's past history for residual values, current values and projections of the likely future market for each group of assets

Any permanent impairment in the residual value of an asset is identified within such reviews and charged to the profit and loss account

GE Commercial Finance Fleet Products Ltd

Notes to the financial statements

1 Accounting policies (continued)

1.5 Taxation

Taxation for the year is based on the 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

1.6 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

1.7 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

1.8 Operating leases

Where the company leases out equipment for less than its expected useful life or does not transfer substantially all of the risks and rewards of ownership, the lease is accounted for as an operating lease. Rental income is taken to the profit and loss account on a straight-line basis over the period of the lease. The cost of equipment is recorded as a fixed asset and depreciated on a straight-line basis over the life of the lease to the estimated residual value

GE Commercial Finance Fleet Products Ltd

Notes to the financial statements

2. Turnover

All turnover arose within the United Kingdom

	2011 £000	2010 £000
Aggregate operating lease rentals	3,234	4,604
Service fees	380	231
Turnover	<u>3,614</u>	<u>4,835</u>
Operating lease capital repayments	(1,824)	(2,830)
Other cost of sales	(452)	(428)
Gross profit	<u><u>1,338</u></u>	<u><u>1,577</u></u>

3 Operating profit

The operating profit is stated after charging/(crediting)

	2011 £000	2010 £000
Depreciation of tangible fixed assets - owned by the company	1,824	2,830
Profit on sale of tangible fixed assets	(130)	(188)
Difference on foreign exchange	(1)	(3)
	<u><u></u></u>	<u><u></u></u>

4 Auditors' remuneration

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

Remuneration of £nil (2010 £8,000) paid to the auditors for their audit of these financial statements pursuant to legislation was borne by a fellow group undertaking

5 Staff costs

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

GE Commercial Finance Fleet Products Ltd

Notes to the financial statements

6 Interest receivable and similar income

	2011 £000	2010 £000
On loans to group undertakings	2	27
Other interest receivable	2	-
	<u>4</u>	<u>27</u>

7 Interest payable and similar charges

	2011 £000	2010 £000
On loans from group undertakings	<u>41</u>	<u>8</u>

8 Taxation

	2011 £000	2010 £000
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	265	203
Adjustments in respect of prior periods	(203)	(119)
Tax on profit on ordinary activities	<u>62</u>	<u>84</u>

Factors affecting current tax charge for the year

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

	2011 £000	2010 £000
Profit on ordinary activities before tax	<u>1,001</u>	<u>724</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	265	203
Effects of		
Adjustments to tax charge in respect of prior periods	(203)	(119)
Current tax charge for the year (see note above)	<u>62</u>	<u>84</u>

GE Commercial Finance Fleet Products Ltd

Notes to the financial statements

8 Taxation (continued)

Factors that may affect future tax charges

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.

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

9 Tangible fixed assets

	Assets used in operating leases £000
Cost	
At 1 January 2011	13,385
Additions	1,303
Disposals	(6,297)
At 31 December 2011	8,391
Depreciation	
At 1 January 2011	5,452
Charge for the year	1,824
On disposals	(3,723)
At 31 December 2011	3,553
Net book value	
At 31 December 2011	4,838
At 31 December 2010	7,933

Residual value exposure

The company has the following un-guaranteed residual value exposure

	Operating lease assets	
	2011 £000	2010 £000
Year in which residual value will be recovered		
Within one year	1,363	1,925
Between 1-2 years	905	1,360
Between 2-5 years	439	1,180
	2,707	4,465

GE Commercial Finance Fleet Products Ltd

Notes to the financial statements

10. Debtors

	2011 £000	2010 £000
Trade debtors	21,619	30,973
Amounts owed by group undertakings	1,514	33
Prepayments and accrued income	374	520
	<u>23,507</u>	<u>31,526</u>

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

11 Creditors

Amounts falling due within one year

	2011 £000	2010 £000
Payments received on account	22,023	32,926
Trade creditors	2,777	1,320
Amounts owed to group undertakings	487	3,220
Corporation tax	265	203
Social security and other taxes	56	95
Other creditors	88	56
Accruals and deferred income	173	102
	<u>25,869</u>	<u>37,922</u>

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

12 Share capital

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

13 Reserves

	Profit and loss account £000
At 1 January 2011	1,537
Profit for the year	939
At 31 December 2011	<u>2,476</u>

GE Commercial Finance Fleet Products Ltd

Notes to the financial statements

14 Reconciliation of movement in shareholders' funds

	2011 £000	2010 £000
Opening shareholders' funds	1,537	897
Profit for the year	939	640
Closing shareholders' funds	<u>2,476</u>	<u>1,537</u>

15 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