

# GE European Equipment Finance (Receivables) Limited

Directors' report and financial statements  
For the year ended 31 December 2009  
Registered number 04688494



# GE European Equipment Finance (Receivables) Limited

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# GE European Equipment Finance (Receivables) Limited

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

### Principal activities

The principal activity of the company is the provision of receivables financing and other business equipment financing

### Results and dividend

The company made a loss before tax during the year of £91,000 (2008 profit of £44,000)

The directors do not recommend the payment of a dividend (2008 £nil)

### Principal risks and uncertainties

Due to the nature of the company's business, there is an inherent exposure to credit and operational risk. This is controlled through the stringent company procedures involved in accepting and subsequent monitoring of new business. This risk is also mitigated by the numerous risk committee meetings that take place during each year that involve the participation of senior management and stakeholders in the business.

### Directors

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

W H McGibbon FCCA	
H A T Fitzpatrick	(appointed 19 June 2009)
J M Jenkins	(appointed 19 June 2009)
T Ford	(appointed 12 January 2010)
D Millard	(appointed 12 January 2010)
R W Green	(resigned 19 June 2009)
P Lomas	(resigned 19 June 2009)
D R Rendell	(resigned 19 June 2009)

### Disclosure 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

# GE European Equipment Finance (Receivables) Limited

## Directors' report (continued)

### Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

On behalf of the board

W H McGibbon FCCA  
Director



Meridian,  
Trinity Square  
23/59 Staines Road  
Hounslow  
Middlesex  
TW3 3HF

22 June 2010

# GE European Equipment Finance (Receivables) 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 and applicable law (UK Generally Accepted Accounting Practice)

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 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, 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 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 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 GE European Equipment Finance (Receivables) Limited**

We have audited the financial statements of GE European Equipment Finance (Receivables) Limited for the year ended 31 December 2009 set out on pages 6 to 11. The financial reporting framework that has been applied in their presentation is applicable law and UK Accounting Standards (UK 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 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on matters 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.

## Independent auditors' report to the members of GE European Equipment Finance (Receivables) Limited *(continued)*

### 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  
Bristol

22 June 2010

# GE European Equipment Finance (Receivables) Limited

## Profit and loss account for the year ended 31 December 2009

	Note	2009 £000	2008 £000
<b>Turnover</b>		<b>137</b>	<b>321</b>
<b>Gross profit</b>		<b>137</b>	<b>321</b>
Administrative expenses		(151)	(265)
Other operating (expenses)/income		(53)	171
<b>Operating profit</b>	2	<b>(67)</b>	<b>227</b>
Interest receivable and similar income	5	<b>88</b>	<b>228</b>
Interest payable and similar charges	6	<b>(112)</b>	<b>(411)</b>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(91)</b>	<b>44</b>
Tax on (loss)/profit on ordinary activities	7	<b>13</b>	<b>(13)</b>
<b>(Loss)/profit for the financial year</b>	11	<b>(78)</b>	<b>31</b>

The notes on pages 8 to 11 form part of these financial statements

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

The company had no recognised gains or losses in the current or preceding financial year other than those dealt with in the profit and loss account and therefore no statement of total recognised gains and losses has been presented



# GE European Equipment Finance (Receivables) Limited

## Balance sheet at 31 December 2009

	Note	2009 £000	2008 £000
<b>Current assets</b>			
Debtors (including £12,000 (2008: £2,388,000) due after more than one year)	8	4,303	7,504
<b>Creditors</b> amounts falling due within one year	9	(3,950)	(7,073)
<b>Net assets</b>		<u>353</u>	<u>431</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account	11	353	431
<b>Shareholders' funds</b>	11	<u>353</u>	<u>431</u>

The notes on pages 8 to 11 form part of these financial statements

These financial statements were approved by the board of directors on 22 June 2010 and were signed on its behalf by



W H McGibbon FCCA  
Director

# GE European Equipment Finance (Receivables) 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

#### **(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The 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 in preparing the annual financial statements

#### **(b) Turnover**

Turnover represents gross earnings, including the relevant proportion of gross deferred income and fees receivable during the year, from loan receivables. 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

#### **(c) Taxation**

The charge for taxation 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

#### **(d) Cash flow statement**

Under FRS 1 (revised) the company is exempt from the requirement to prepare a cash flow statement. 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 12

#### **(e) 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 12

# GE European Equipment Finance (Receivables) Limited

Notes *(continued)*

## 2 Operating profit

Operating profit is stated after charging

	2009 £000	2008 £000
Foreign exchange losses/(gains)	61	(166)

## Auditors remuneration

Auditors remuneration of £9,000 (2008 £10,000) for the current financial year was borne by a fellow group undertaking GE Capital Equipment Finance Limited

## 3 Employee information

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

## 4 Directors' remuneration

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

## 5. Interest receivable and similar income

	2009 £000	2008 £000
On amounts owed by group undertakings	88	228

## 6. Interest payable and similar charges

	2009 £000	2008 £000
On amounts owed to group undertakings	112	411

## 7 Taxation

	2009 £000	2008 £000
<b>Analysis of (credit)/charge in the year</b>		
<b>Current tax (see note below)</b>		
UK corporation tax charge on profit for the year	-	13
Adjustment in respect of prior years	(13)	-
<b>Total current tax</b>	<b>(13)</b>	<b>13</b>
<b>Deferred tax</b>		
Adjustment in respect of prior years	-	-
<b>Tax on (loss)/profit on ordinary activities</b>	<b>(13)</b>	<b>13</b>

# GE European Equipment Finance (Receivables) Limited

Notes (continued)

## 7 Taxation (continued)

### Factors affecting current tax (credit)/charge for year

The current tax assessed for the year is higher than (2008 the same as) the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below

	2009 £000	2008 £000
(Loss)/profit on ordinary activities before tax	(91)	44
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	(26)	13
<b>Effects of</b>		
Group relief not paid for	26	-
Adjustment to tax charge in respect of previous periods	(13)	-
<b>Total current tax (credit)/charge for the year (see note above)</b>	<b>(13)</b>	<b>13</b>

### Factors that may affect future tax charges

There are no factors that may affect future tax charges. There were no amount of provided or unprovided deferred taxation as at 31 December 2009 or 31 December 2008.

## 8. Debtors

	2009 £000	2008 £000
<b>Amounts falling due within one year</b>		
Amounts due from group undertakings	3,030	3,433
Loan receivables	872	1,024
Other debtors	389	659
	4,291	5,116
<b>Amounts falling due after more than one year</b>		
Loan receivables	12	2,388
<b>Total debtors</b>	<b>4,303</b>	<b>7,504</b>

The amounts owed by group incur interest at a monthly LIBOR rate plus 100 bps and are repayable on demand.

# GE European Equipment Finance (Receivables) Limited

Notes (continued)

## 9 Creditors amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to group undertakings	3,913	6,895
Corporation tax	-	13
Other creditors	37	165
	<u>3,950</u>	<u>7,073</u>

Group borrowings incur interest at a monthly LIBOR rate plus 100 bps and are repayable on demand

## 10 Share capital

	2009 £000	2008 £000
<b>Authorised</b>		
100 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>
<b>Allotted, called up and nil paid.</b>		
100 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

## 11. Reconciliation of movement in shareholders' funds

	Share capital £000	Profit and loss account £000	2009 Shareholders' Funds £000	2008 Shareholders' Funds £000
At beginning of year	-	431	431	400
(Loss)/profit for the year	-	(78)	(78)	31
	<u>-</u>	<u>353</u>	<u>353</u>	<u>431</u>
<b>At end of year</b>	<u>-</u>	<u>353</u>	<u>353</u>	<u>431</u>

## 12 Parent undertakings

The company's immediate parent company and immediate controlling entity is GE Capital Equipment Finance Limited, 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 06431, USA or at [www.ge.com](http://www.ge.com)