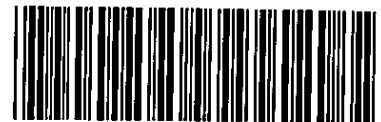


TCR (Number 1) Limited

Directors' report and financial statements
For the year ended 31 December 2008
Registered number: 1950048

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TCR (Number 1) Limited

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	2
Independent Auditors' report to the members of TCR (Number 1) Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6-13

TCR (Number 1) Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2008.

Principal activity

The principal activity of the company is the leasing of office equipment, principally telephone equipment, to UK based customers.

From 1 May 2007 no new business has been undertaken by this company. The existing lease portfolio will continue to run off over its natural economic life.

Results and dividends

The company made a profit before taxation for the year of £734,000 (2007: loss £931,000).

The directors do not recommend the payment of a dividend (2007: *£nil*).

Directors

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

J D Baber	(resigned 21 April 2008)
M VillaMultedo	(appointed 23 January 2008; resigned 20 June 2008)
R W Green	(resigned 19 June 2009)
A J Robinson	(resigned 20 March 2008)
W H McGibbon	(appointed 20 June 2008)
D Rendell	(resigned 19 June 2009)
P Lomas	(appointed 1 February 2008, resigned 19 June 2009)
J Jenkins	(appointed 19 June 2009)
H Fitzpatrick	(appointed 19 June 2009)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

25 June 2009

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

TCR (Number 1) 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 the 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).

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 judgements 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

Independent Auditors' report to the members of TCR (Number 1) Limited

We have audited the financial statements of TCR (Number 1) Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and related notes. These financial statements have been prepared under 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 2.

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 judgements 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit 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

25-6-2009

TCR (Number 1) Limited

Profit and loss account for the year ended 31 December 2008

	Note	2008 £000	2007 £000
Turnover	2	9,537	13,270
Cost of sales	2	(2,240)	(3,485)
Gross profit		7,297	9,785
Administrative expenses		(5,818)	(8,625)
Other operating income		76	247
Operating profit		1,555	1,407
Interest receivable and similar income	7	5,595	7,590
Interest payable and similar charges	8	(6,416)	(9,928)
Profit/(loss) on ordinary activities before taxation	3	734	(931)
Tax on profit/(loss) on ordinary activities	9	(629)	(800)
Profit/(loss) for the year	16	105	(1,731)

The notes on pages 6 to 13 form part of these financial statements.

The profit for the current financial year and the loss for the preceding financial year calculated on a historical cost basis is not materially different to the profit/(loss) disclosed above. Accordingly a note of historical cost profits and losses as required by paragraph 26 of FRS 3 has not been presented.

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.

The results in the current and preceding financial year arose from continuing operations.

TCR (Number 1) Limited

Balance sheet

at 31 December 2008

	Note	2008 £000	2007 £000
Fixed assets			
Tangible fixed assets	10	1,066	4,042
Current assets			
Finance lease and other receivables:			
- amounts receivable within one year	11	8,655	19,715
- amounts receivable after more than one year	11	5,926	16,788
		<u>14,581</u>	<u>36,503</u>
Debtors	12	50,211	77,431
Cash at bank and in hand		-	518
		<u>64,792</u>	<u>114,452</u>
Creditors: amounts falling due within one year	13	(48,726)	(101,467)
		<u>16,066</u>	<u>12,985</u>
Net current assets		16,066	12,985
Total assets less current liabilities		17,132	17,027
Capital and reserves			
Called up share capital	15	-	-
Profit and loss account	16	17,132	17,027
		<u>17,132</u>	<u>17,027</u>
Shareholders' funds	16	17,132	17,027

The notes on pages 6 to 13 form part of these financial statements.

The financial statements were approved by the board of directors on 25 June 2009 and were signed on its behalf by:



W H McGibbon FCCA
Director

TCR (Number 1) 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 company's financial statements.

(a) Basis of preparation

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

(b) Turnover

Turnover represents amounts receivable on an accruals basis in respect of lease rentals from operating leases, together with the 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.

(c) Cost of sales

Cost of sales represents the depreciation charged on operating leases.

(d) Operating leases

Where the company leases out equipment for less than its expected useful life or does not transfer substantially all 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 basis calculated to give an approximately constant rate of return on funds invested. Rental income is credited to the profit and loss account on an accruals basis.

(e) 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 on funds invested.

(f) Other receivables

Other receivables, being amounts receivable under loan and hire purchase agreements, are amortised over the period for which they are receivable on the actuarial before tax basis.

TCR (Number 1) Limited

Notes

(continued)

1. Accounting Policies *(continued)*

(g) 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.

(h) Taxation

The charge for taxation is based on the profit/(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.

(i) 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 17.

(j) Bad debt provisions

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.

(k) Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives.

(l) Cash flow statement

Under FRS 1 (revised 1996) 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 17.

TCR (Number 1) Limited

Notes

(continued)

2. Turnover includes:

	2008 £000	2007 £000
(a) Leases		
Finance lease gross earnings	3,921	5,315
Hire purchase lease gross earnings	32	89
(b) Other agreements		
Aggregate operating lease rentals	5,584	7,866
	<hr/>	<hr/>
Turnover	9,537	13,270
Capital repayments on operating leases	(2,240)	(3,485)
	<hr/>	<hr/>
Gross profit	7,297	9,785
	<hr/>	<hr/>

3. Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging:

	2008 £000	2007 £000
Management fees payable to group undertakings	1,271	1,608
Depreciation on tangible fixed assets	2,240	3,485
	<hr/>	<hr/>

4. Staff numbers and costs

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

5. Directors' emoluments

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

6. Auditors' remuneration

	2008 £000	2007 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	-	9
	<hr/>	<hr/>

Auditors remuneration of £11,000 for the current year was borne by a fellow group undertaking GE Capital Equipment Finance Limited.

TCR (Number 1) Limited

Notes

(continued)

7. Interest receivable and similar income

	2008 £000	2007 £000
On amounts owed by group undertakings	5,595	7,590

8. Interest payable and similar income

	2008 £000	2007 £000
On amounts owed to group undertakings	6,416	9,928

9. Taxation

Analysis of charge in the year

	2008 £000	2007 £000
Current tax (see note below)		
UK corporation tax charge on profit/(loss) for the year	629	-

Total current tax

629	-
-----	---

Deferred Tax

Origination and reversal of timing differences	(420)	848
Effect of decreased tax rate	7	804
Movement in deferred tax not provided	413	(852)

Total deferred tax (see note 14)

-	800
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Tax on profit/(loss) on ordinary activities

629	800
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TCR (Number 1) Limited

Notes

(continued)

9. Taxation (continued)

Factors affecting current tax charge in year

The tax assessed for the year is higher than (2007: *higher than*) the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

	2008 £000	2007 £000
Profit/(loss) on ordinary activities before tax	734	(931)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 2008: 28.5% (2007:30%)	209	(279)
Effects of:		
Depreciation in excess of capital allowances/(capital allowances for year in excess of depreciation)	521	(807)
Short term timing differences	(101)	(41)
Group relief not paid for	-	1,127
Current tax charge for the year (see note above)	629	-

Factors that may affect future tax charges

Deferred tax assets and liabilities on all timing differences have been calculated at 28%, being the rate of UK corporation tax effective from 1 April 2008.

10. Tangible fixed assets

	Assets used in operating leases £000
Cost	
At beginning of year	12,270
Disposals	(4,437)
At end of year	7,833
Depreciation	
At beginning of year	8,228
Charge for the year	2,240
Disposals	(3,701)
At end of year	6,767
Net book value	
At 31 December 2008	1,066
At 31 December 2007	4,042

TCR (Number 1) Limited

Notes

(continued)

10. Tangible fixed assets (continued)

The value of un-guaranteed residual values relating to telecommunications assets included in the carrying value of operating lease assets, and the year in which the residual values will be recovered, are as follows:

	2008 £000	2007 £000
Within one year	496	1,322
Between 1-2 years	8	315
Between 2-5 years	-	9
	<hr/>	<hr/>
Total exposure	504	1,646
	<hr/>	<hr/>

11. Net investment in finance leases and hire purchase contracts

	Gross receivables £000	Finance charges £000	Net investment £000
Due within one year	9,544	(889)	8,655
Due after more than one year	6,519	(593)	5,926
	<hr/>	<hr/>	<hr/>
	16,063	(1,482)	14,581
	<hr/>	<hr/>	<hr/>

The value of un-guaranteed residual values relating to telecommunications assets included in the carrying value of finance lease assets and the year in which the residual values will be recovered, are detailed in the table below. Generally, residuals are expected to be recovered through re-lease of the assets in respect of telecommunications, information technology and office equipment, and through sale of the asset with regard to manufacturing and other assets.

	2008 £000	2007 £000
Within one year	243	291
Between 1-2 years	253	106
Between 2-5 years	137	255
	<hr/>	<hr/>
Total exposure	632	652
	<hr/>	<hr/>

TCR (Number 1) Limited

Notes

(continued)

12. Debtors

	2008 £000	2007 £000
Trade debtors	38	402
Amounts due from group undertakings	49,689	74,552
Other debtors and prepayments	484	2,477
	<hr/>	<hr/>
Total debtors	50,211	77,431
	<hr/>	<hr/>

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

13. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank loans and overdrafts	232	-
Trade creditors	2,647	3,854
Corporation tax creditor	629	-
Amounts due to group undertakings	39,408	88,897
Other taxes and social security	1,232	1,667
Sundry creditors and accruals	4,578	7,049
	<hr/>	<hr/>
Total creditors	48,726	101,467
	<hr/>	<hr/>

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

14. Deferred taxation

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

	2008		2007	
	Recognised	Potential Asset	Recognised	Potential Asset
	£000	£000	£000	£000
Accelerated capital allowances	-	11,601	-	11,089
Short term timing differences	-	66	-	165
	<hr/>	<hr/>	<hr/>	<hr/>
	-	11,667	-	11,254
	<hr/>	<hr/>	<hr/>	<hr/>

TCR (Number 1) Limited

Notes

(continued)

15. Called up share capital

	2008 £000	2007 £000
Authorised, allotted, called up and fully paid:		
100 ordinary shares of £1 each	-	-

16. Reconciliation of movement in shareholders' funds

	Share capital £000	Profit and loss account £000	2008 Shareholders' funds £000	2007 Shareholders' funds £000
At beginning of year	-	17,027	17,027	18,758
Profit/(loss) for the year	-	105	105	(1,731)
At end of year	-	17,132	17,132	17,027

17. Parent undertakings

The company's immediate parent company is GE Capital Equipment Finance 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.