

TCR (Number 1) Limited

Directors' report and financial statements

For the 10 month period ended 31 December 1995

Registered Number: 1950048



TCR (Number 1) Limited

Directors' report and financial statements

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TCR (Number 1) Limited

Directors' report

The directors submit the report and accounts of the Company for the period of 10 months ended 31st December, 1995.

Activities and Review of Business Development

The principal activity of the Company is the leasing of office equipment. The business of the Company continues without significant change.

Results

The loss for the period, after taxation, amounted to £2,738,091. The Directors do not recommend the payment of a dividend, and the debit balance of £2,825,612 on the profit and loss account is to be carried forward.

Directors

The persons who held office as directors during the period and up to the date of the Directors' Report were as follows:

Mr J R Bramhall
Mr R H D Earle
Mr D S Fielden
Mr A W Longden
Mr A W Tosh
Mr S F W Westall
Mr J G Brady (appointed 28th March 1995)
Mr D M M Beever (resigned 10th March 1995)

At no time during the period did any of the directors hold any interest in the shares of the Company, a holding company, or any subsidiary thereof.

Auditors

On the 25th October 1995 KPMG were appointed as auditors to the Company, replacing Ernst & Young who had tendered their resignation.

Immediate Holding Company

On 28th December 1995 ownership of the whole of the issued share capital of the Company was transferred from Pallas Services Ltd to GE Capital Pallas Ltd., which company is itself the immediate holding company of Pallas Services Ltd.

By order of the board,



R H D Earle
Secretary

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

26th July, 1996

TCR (Number 1) Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those 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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the 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.

Report of the auditors, KPMG
to the members of TCR (Number 1) Limited

We have audited the financial statements on pages 4 to 10.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 of the state of the company's affairs as at 31 December 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

26th July, 1996

15, Pembroke Road
Clifton
Bristol
BS8 3BG

TCR (Number 1) Limited

Profit and loss account

for the 10 month period ended 31 December 1995

		10 month period ended 31 December 1995 £	11 month period ended 28 February 1995 £
	<i>Note</i>		
Gross earnings	2	3,734,866	1,689,801
Interest receivable		900,762	901,423
Interest payable	3	(3,280,956)	(1,781,144)
Administrative expenses	4	(3,170,216)	(914,723)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(1,815,544)	(104,643)
Taxation	6	(922,547)	213,532
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation		(2,738,091)	108,889
Deficit brought forward		(87,521)	(196,410)
		<hr/>	<hr/>
Deficit carried forward		(2,825,612)	(87,521)
		<hr/>	<hr/>

There were no recognised gains and losses in either period other than the results shown above.

There were no acquisitions or discontinued operations during either period.

TCR (Number 1) Limited

Balance sheet

at 31 December 1995

		31 December 1995 £	28 February 1995 £
Current assets			
Finance lease receivables:			
- amounts receivable within one year		10,506,966	4,104,904
- amounts receivable after more than one year		36,970,073	15,442,256
	7	47,477,039	19,547,160
Debtors: amounts falling due within one year	8	22,163,353	23,013,959
Cash at bank		-	14,685
		69,640,392	42,575,804
Creditors: amounts falling due within one year	9	(45,502,104)	(7,621,972)
Net current assets		24,138,288	34,953,832
Creditors: amounts due to holding company after more than one year		(25,500,000)	(34,500,000)
Provisions for liabilities and charges	10	(1,463,800)	(541,253)
Net liabilities		(2,825,512)	(87,421)
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		(2,825,612)	(87,521)
Equity shareholders' funds	12	(2,825,512)	(87,421)

The financial statements on pages 4 to 10 were approved by the board of directors on 26th July, 1996 and signed on its behalf by:



DS Fielden



JR Bramhall

Directors

TCR (Number 1) Limited

Notes

(forming part of the financial statements)

1. Accounting policies

(a) Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Leased assets

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, under the investment period method.

Other receivables, being amounts receivable under loan and hire purchase agreements, are amortised over the period for which they are receivable on the "sum of the digits" basis.

(c) Bad debts

Bad debts are written off in the profit and loss account as and when they arise. Credit is then taken for any recoveries upon receipt. A provision for bad and doubtful debts is deducted from finance lease and other receivables.

(d) Deferred taxation

Deferred taxation is provided, under the liability method, on all timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future.

(e) Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement, as it is a wholly owned subsidiary of IGE USA Group Limited and its cash flows are included within the consolidated cash flow statement of that company.

2. Gross earnings

	10 month period ended 31 December 1995 £	11 month period ended 28 February 1995 £
<i>(a) Leases</i>		
Aggregate finance lease rentals	6,814,925	2,532,795
Capital repayments	(3,806,647)	(1,293,443)
	<hr/>	<hr/>
	3,008,278	1,239,352
<i>(b) Other agreements</i>		
Finance charges earned	726,588	450,449
	<hr/>	<hr/>
	3,734,866	1,689,801
	<hr/>	<hr/>

TCR (Number 1) Limited

Notes

(continued)

3. Interest payable

	10 month period ended 31 December 1995 £	11 month period ended 28 February 1995 £
To parent undertaking	3,280,561	1,781,144
Other	395	-
	<hr/>	<hr/>
	3,280,956	1,781,144
	<hr/>	<hr/>

4. Loss on ordinary activities before taxation

Administrative expenses include a management charge of £2,617,020 (28 February 1995: £2,886,367) made by a fellow subsidiary which provides administrative services to the company under a management agreement.

Audit fees are borne by a fellow subsidiary and are included in the management charge.

5. Emoluments of the directors of the company

None (28 February 1995: none) of the directors who served during the period received any remuneration from the company. The company does not have any employees.

6. Taxation

	10 month period ended 31 December 1995 £	11 month period ended 28 February 1995 £
Group relief receivable at 33%	-	(417,594)
Deferred taxation	922,547	204,062
	<hr/>	<hr/>
	922,547	(213,532)
	<hr/>	<hr/>

TCR (Number 1) Limited

Notes (continued)

7. Finance lease and other receivables

	31 December 1995 £	28 February 1995 £
Finance leases	41,512,733	14,483,068
Other agreements	5,964,306	5,064,092
	<hr/> 47,477,039	<hr/> 19,547,160
Amounts advanced during the period under:		
Finance leases	32,308,758	8,012,560
Other agreements	2,355,539	3,720,830
	<hr/> 34,664,297	<hr/> 11,733,390

8. Debtors

	31 December 1995 £	28 February 1995 £
Trade debtors	136,892	32,321
Due from parent and fellow subsidiary undertakings	16,790,331	22,714,781
Sundry debtors and prepayments	5,236,130	266,857
	<hr/> 22,163,353	<hr/> 23,013,959

9. Creditors: amounts falling due within one year

	31 December 1995 £	28 February 1995 £
Rentals received in advance	1,416,084	688,327
Due to parent and fellow subsidiary undertakings	39,721,883	6,573,726
Bank overdraft	926,659	-
Sundry creditors and accruals	3,437,478	359,919
	<hr/> 45,502,104	<hr/> 7,621,972

TCR (Number 1) Limited

Notes

(continued)

10. Provisions for liabilities and charges

Deferred taxation		£
At 1 March 1995		541,253
Transfer from profit and loss account		922,547
		<hr/>
At 31 December 1995		1,463,800
		<hr/>
	31 December	28 February
	1995	1995
	£	£
Deferred tax provided arises in respect of:		
Accelerated capital allowances	1,888,068	868,253
Other timing differences	(424,268)	(327,000)
	<hr/>	<hr/>
	1,463,800	541,253
	<hr/>	<hr/>
Deferred tax not provided arises in respect of:		
Accelerated capital allowances	809,172	372,000
Other timing differences	-	-
	<hr/>	<hr/>
	809,172	372,000
	<hr/>	<hr/>

11. Called up share capital

	31 December	28 February
	1995	1995
	£	£
<i>Authorised, allotted and fully paid</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

12. Movements in shareholders' funds

	31 December	28 February
	1995	1995
	£	£
Balance brought forward	(87,421)	(196,310)
Retained (loss)/profit for the period (page 4)	(2,738,091)	108,889
	<hr/>	<hr/>
Balance carried forward	(2,825,512)	(87,421)
	<hr/>	<hr/>

TCR (Number 1) Limited

Notes

(continued)

13. Contingent liabilities

As a result of the group registration arrangements for Value Added Tax, the company, together with certain fellow subsidiaries, is jointly and severally liable for any Value Added Tax due by the representative member of the group.

14. Ultimate parent company and parent undertaking of larger group of which the company is a member

The company is a wholly-owned subsidiary undertaking of GE Capital Pallas Limited registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by General Electric Company incorporated in the United States. The consolidated accounts of General Electric Company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut, 06431, USA.

The smallest group in which the results of the company are consolidated is that headed by IGE USA Group Limited registered in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Meridian, Trinity Square, 23/59 Staines Road, Hounslow, Middlesex, TW3 3HF.