

TCR (Number 1) Limited

Directors' report and financial statements

for the year ended 31 December 2011
Registered number 01950048



TCR (Number 1) Limited

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TCR (Number 1) Limited

Directors' report

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

Principal activity

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

The company has ceased to offer facilities to new customers and is administering its existing portfolio to maturity. The business of the company continues without significant change.

Results and dividends

The profit for the year, after taxation, amounted to £1,413,000 (2010: loss £3,215,000)

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

W H McGibbon FCCA (resigned 30 September 2011)

T D Ford (resigned 14 January 2011)

D Millard

J Maycock (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

TCR (Number 1) Limited

Directors' report

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. SENKINS -

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

TCR (Number 1) Limited

Directors' responsibilities statement for the year ended 31 December 2011

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 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). 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 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 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 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.

TCR (Number 1) Limited

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 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.

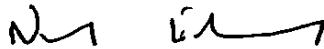
TCR (Number 1) Limited

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

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
United Kingdom
Date

28/6/12

TCR (Number 1) Limited

Profit and loss account for the year ended 31 December 2011

	Note	2011 £000	2010 £000
Turnover	2	3,240	2,606
Cost of sales	2	(6)	(44)
Gross profit	2	3,234	2,562
Administrative expenses		(1,596)	(3,716)
Other operating income/(charges)		53	(1,207)
Operating profit/(loss)	3	1,691	(2,361)
Interest receivable and similar income	6	175	267
Interest payable and similar charges	7	(435)	(500)
Profit/(loss) on ordinary activities before taxation		1,431	(2,594)
Tax on profit/(loss) on ordinary activities	8	(18)	(621)
Profit/(loss) for the financial year	16	1,413	(3,215)

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 8 to 15 form part of these financial statements

TCR (Number 1) Limited
Registered number 01950048

Balance sheet
as at 31 December 2011

	Note	£000	2011 £000	£000	2010 £000
Fixed assets					
Tangible fixed assets	9		1		40
Current assets					
Debtors amounts falling due after more than one year	10	13		879	
Debtors amounts falling due within one year	10	33,721		35,837	
		<u>33,734</u>		<u>36,716</u>	
Creditors amounts falling due within one year	13	(16,520)		(20,954)	
Net current assets			<u>17,214</u>		<u>15,762</u>
Net assets			<u>17,215</u>		<u>15,802</u>
Capital and reserves					
Called up share capital	15		-		-
Profit and loss account	16		<u>17,215</u>		<u>15,802</u>
Shareholders' funds	17		<u>17,215</u>		<u>15,802</u>

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

19 June 2012.


Director

S. JENKINS.

The notes on pages 8 to 15 form part of these financial statements

TCR (Number 1) Limited

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, 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

1.4 Taxation

Taxation for the year 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

1.5 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

TCR (Number 1) Limited

Notes to the financial statements

1 Accounting policies (continued)

1.6 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.

1.7 Cost of sales

Cost of sales represents the depreciation charged on operating leases.

1.8 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.

1.9 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.

1.10 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.

1.11 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 to the financial statements

2 Gross earning under finance agreements

The split of turnover and cost of sales by type of lease is as follows

	2011 £000	2010 £000
Finance lease aggregate rentals	3,676	5,448
Finance lease capital repayments	(970)	(3,609)
Finance lease gross earnings	2,706	1,839
Hire purchase aggregate rentals	-	3
Aggregate operating lease rentals	2,706	1,842
Interest income	534	762
	-	2
Turnover	3,240	2,606
Operating lease capital repayments	(6)	(44)
Gross earnings	3,234	2,562

3 Operating profit/(loss)

The operating profit/(loss) is stated after charging

	2011 £000	2010 £000
Depreciation of tangible fixed assets		
- held under operating leases	6	44
Management fees payable to group undertakings	187	93

4 Auditors' remuneration

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

Remuneration of £7,000 (2010: £nil) paid to the auditors for their services to the company 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)

TCR (Number 1) Limited

Notes to the financial statements

6 Interest receivable and similar income

	2011 £000	2010 £000
Interest receivable from group companies	175	267

7 Interest payable and similar charges

	2011 £000	2010 £000
On other loans	-	183
On loans from group undertakings	435	317
	435	500

8 Taxation

	2011 £000	2010 £000
Analysis of tax charge in the year		
UK corporation tax charge on profit/(loss) for the year	639	621
Adjustments in respect of prior periods	(621)	-
Total current tax	18	621
Deferred tax		
Origination and reversal of timing differences	(260)	(1,017)
Movement in deferred tax not provided	(1,712)	7,721
Adjustments in respect of prior years	230	(7,576)
Effect of decreased tax rate	1,742	872
Total deferred tax	-	-
Tax on profit/(loss) on ordinary activities	18	621

TCR (Number 1) Limited

Notes to the financial statements

8 Taxation (continued)

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

The current tax assessed for the year is lower than (2010 higher 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/(loss) on ordinary activities before tax	<u>1,431</u>	<u>(2,594)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 28%)	379	(726)
Effects of		
Depreciation in excess of capital allowances	267	1,037
Adjustments to tax charge in respect of prior periods	(621)	-
Short term timing differences	(7)	(20)
Non-deductible expenses	-	330
Current tax charge for the year (see note above)	<u>18</u>	<u>621</u>

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.

TCR (Number 1) Limited

Notes to the financial statements

9 Tangible fixed assets

	Assets used in operating leases £000
Cost	
At 1 January 2011	3,523
Disposals	(1,940)
At 31 December 2010	<u>1,583</u>
Depreciation	
At 1 January 2011	3,483
Charge for the year	6
On disposals	(1,907)
At 31 December 2011	<u>1,582</u>
Net book value	
At 31 December 2011	<u>1</u>
At 31 December 2010	<u>40</u>

The value of un-guaranteed residual values relating to telecommunications assets included in the carrying value of operating lease assets, at the end of the year was £nil (2010 £4,000)

10 Debtors

	2011 £000	2010 £000
Due after more than one year		
Net investment in hire purchase contracts (Note 12)	-	2
Net investment in finance leases (note 11)	13	877
	<u>13</u>	<u>879</u>
Due within one year		
Amounts owed by group undertakings	32,930	34,836
Other debtors	473	423
Prepayments	2	7
Net investment in finance leases (note 11)	315	560
Net investment in hire purchase contracts (note 12)	1	11
	<u>33,721</u>	<u>35,837</u>

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

TCR (Number 1) Limited

Notes to the financial statements

11 Net investment in finance leases

	Gross receivables £000	Finance charges £000	Net investments £000
Due with in one year	325	(10)	315
More than one year	14	(1)	13
	<u>339</u>	<u>(11)</u>	<u>328</u>

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, residual values 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

	2011 £000	2010 £000
Within one year	25	72
Between 1-2 years	4	26
Between 2-5 years	-	4
	<u>29</u>	<u>102</u>
Total exposure	<u>29</u>	<u>102</u>

12 Net investment in hire purchase contracts

	Gross receivables £000	Finance charges £000	Net investment £000
Due within one year	1	-	1
	<u>1</u>	<u>-</u>	<u>1</u>

13 Creditors Amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdrafts	20	98
Amounts owed to group undertakings	12,182	15,173
Corporation tax	639	621
Other taxes and social security	1,584	220
Sundry creditors and accruals	2,095	4,842
	<u>16,520</u>	<u>20,954</u>

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

TCR (Number 1) Limited

Notes to the financial statements

14 Deferred taxation

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

	2011 £000	2010 £000
Accelerated capital allowances	20,086	21,734
Short term timing differences	1,752	1,816
Total	<u>21,838</u>	<u>23,550</u>

The deferred tax asset has not been recognised due to uncertainty regarding the level of future taxable profits from which the reversal of the underlying timing differences can be deducted

15 Share capital

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

16 Reserves

	Profit and loss account £000
At 1 January 2011	15,802
Profit for the year	1,413
At 31 December 2011	<u>17,215</u>

17 Reconciliation of movement in shareholders' funds

	2011 £000	2010 £000
Opening shareholders' funds	15,802	19,017
Profit/(loss) for the year	1,413	(3,215)
Closing shareholders' funds	<u>17,215</u>	<u>15,802</u>

18 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking 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 its ultimate parent undertaking, General Electric Company, a company incorporated in the United States of America. The consolidated financial statements for this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut, 06828, USA or at www.ge.com