

Woodchester Business Finance Limited

Directors' Report and Financial Statements

For the year ended 31 December 2006
Registered number 00788497

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Woodchester Business Finance Limited

Contents

	Page
Directors' report	1 - 2
Statement of directors' responsibilities	3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 12

Woodchester Business Finance Limited

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2006

Principal activities

The principal activity of the company is the collection and administration of its loan portfolio. The directors do not foresee any change in activity in the future.

Business review

On 20 December 2006, as a result of the reorganisation in the UK subgroup the company's existing parent undertaking, Woodchester Holding Limited, sold its investment in the entire issued share capital of the company to GE Capital Corporation (Holdings), a company registered in England and Wales.

Results and dividends

The loss for the year, after taxation, amounted to £445,000 (2005 - Loss £493,000)

The directors do not recommend the payment of a dividend (2005 - £nil)

Directors and directors' interests

The directors who served during the year and up to the date of the directors' report were

E Cameron (appointed 31 May 2007)
M M Laughton (resigned 12 May 2006)
L Perry (resigned 31 May 2007)
C A Buick (resigned 31 May 2007)
C Barr (appointed 3 August 2006)
R J Harvey (appointed 31 May 2007)

Since the company meets the definition in s736 (2)(3) of the Companies Act 1985 of a wholly owned subsidiary of a body corporate incorporated outside Great Britain, the company has taken advantage of regulation 3 (1)(a) of Statutory Instrument 1985/802 exempting the company from the requirement to disclose directors' share interests and options in group companies.

Provision of information to auditors

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Woodchester Business Finance Limited

Directors' report

Auditors

The auditors, KPMG , are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 7 November 2000

This report was approved by the board on *17th January 2008* and signed on its behalf



C Barr
Director

Registered address
6 Agar Street
London
WC2N 4HR

Woodchester Business Finance Limited

Statement of directors' responsibilities For the year ended 31 December 2006

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 proper 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 1985. 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.

Woodchester Business Finance Limited

Independent Auditors' report to the members of Woodchester Business Finance Limited

We have audited the financial statements of Woodchester Business Finance Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 judgments 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.

Woodchester Business Finance Limited

Independent Auditors' report to the members of Woodchester Business Finance Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss 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

Chartered Accountants
Registered Auditors

2 Harbourmaster Place
IFSC
Dublin 1

Date

22 Jan 2008

Woodchester Business Finance Limited

Profit and loss account For the year ended 31 December 2006

	Note	2006 £000	2005 £000
Turnover	2	-	1
Administrative expenses		(117)	(10)
Operating loss		(117)	(9)
Interest receivable and similar income	5	162	-
Interest payable and similar charges	6	(490)	(484)
Loss on ordinary activities before taxation		(445)	(493)
Tax on loss on ordinary activities	7	-	-
Loss on ordinary activities after taxation	12	(445)	(493)

All amounts relate to continuing operations

There were no recognised gains and losses for 2006 or 2005 other than those included in the profit and loss account

The notes on pages 8 to 12 form part of these financial statements

Woodchester Business Finance Limited

Balance sheet As at 31 December 2006

	Note	£000	2006 £000	£000	2005 £000
Current assets					
Debtors	8	1,630		1,579	
Creditors amounts falling due within one year	9	(12,027)		(11,531)	
Net current liabilities			(10,397)		(9,952)
Total assets less current liabilities			(10,397)		(9,952)
Capital and reserves					
Called up share capital	11		250		250
Profit and loss account	12		(10,647)		(10,202)
Shareholders' deficit	13		(10,397)		(9,952)

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

17th January 2008.



C Barr
Director

The notes on pages 8 to 12 form part of these financial statements

Woodchester Business Finance 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 in the United Kingdom and the statement of Recommended Accounting Practice on Accounting Issues in the Asset Finance and Leasing Industry issued in April 2000

The financial statements have been prepared on a going concern basis as a fellow group company GE Capital Woodchester Investments, has given an undertaking that it will continue to provide adequate financial and other support to the company for at least twelve months, to enable it to continue in operation

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 FRS1

1.3 Turnover

Gross earnings represents revenue earned during the year under mortgage agreements (net of initial expenses) together with inspection fees receivable on new business

Turnover is derived wholly from UK operations

1.4 Taxation

The charge for taxation is based on the profit for the year

Full provision is made for deferred tax assets and 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 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

Woodchester Business Finance Limited

Notes to the financial statements

1 Accounting policies (continued)

1.6 Instalment credit income

The revenue on the fixed rate portfolio is spread over the unexpired periods of each loan using the Investment Period Method. Income on the variable portfolio is taken to the profit and loss account on a monthly basis by reference to Finance House Base Rate plus a margin.

1.7 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.

1.8 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.

1.9 Bad and doubtful debts

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.

2 Turnover

An analysis of turnover by class of business is as follows:

	2006 £000	2005 £000
Loan income	-	1
All turnover arose within the United Kingdom		

3 Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2005 - £NIL).

Woodchester Business Finance Limited

Notes to the financial statements

4 Auditors' remuneration

Remuneration of £1,675 (2005 £1,675) paid to the auditors for their services to the company was borne by a fellow group undertaking

5 Interest receivable

	2006 £000	2005 £000
Other interest receivable	162	-

6 Interest payable and similar charges

	2006 £000	2005 £000
On loans from group undertakings	490	484

7 Taxation

	2006 £000	2005 £000
UK corporation tax charge on profits for the year	-	-
Deferred tax		
Origination and reversal of timing differences	(4)	(5)
Movement in deferred tax not provided	4	5
Total deferred tax	-	-
Tax on profit on ordinary activities	-	-

Woodchester Business Finance Limited

Notes to the financial statements

7 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below

	2006 £000	2005 £000
Loss on ordinary activities before tax	(445)	(493)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2005 - 30%)	(133)	(148)
<i>Effects of</i>		
Capital allowances for year in excess of depreciation	(4)	(5)
Group relief not paid for	126	153
Expenses not deductible for tax purposes	11	-
<i>Current tax charge for the year (see note above)</i>	-	-

Any future tax charges may be impacted by the announced change in the rate of corporation tax from 30% to 28%, effective from 1 April 2008. The impact of this has not been quantified in the financial statements, as the directors do not consider it practicable to do so

8 Debtors

	2006 £000	2005 £000
Amounts owed by group undertakings	1,630	1,579

9 Creditors Amounts falling due within one year

	2006 £000	2005 £000
Bank loans and overdrafts	-	9
Amounts owed to group undertakings	12,027	11,522
	12,027	11,531

Woodchester Business Finance Limited

Notes to the financial statements

10 Deferred taxation

The amounts unprovided for deferred tax assets are set out below

	2006 £000	2005 £000
Difference between accumulated depreciation and capital allowances	12	16

11 Share capital

	2006 £000	2005 £000
<i>Authorised, allotted, called up and fully paid</i>		
5,000 ordinary shares of 1p each	-	-
250,000 deferred preference shares of £1 each	250	250
	250	250

The preference shares carry no voting rights and are classified within shareholders' funds

12 Reserves

	Profit and loss account £000
At 1 January 2006	(10,202)
Loss retained for the year	(445)
At 31 December 2006	(10,647)

13 Reconciliation of movement in shareholders' deficit

	2006 £000	2005 £000
Opening shareholders' deficit	(9,952)	(9,459)
Loss for the year	(445)	(493)
Closing shareholders' deficit	(10,397)	(9,952)

Woodchester Business Finance Limited

Notes to the financial statements

14 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is GE Capital Corporation (Holdings), a company registered in England and Wales

The smallest and the 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