

Time Retail Finance Limited
Directors' report and financial
statements
For the year ended 31 December 2008
Registered number: 2243231

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Directors' Report

The directors present their Directors' Report and financial statements of Time Retail Finance Limited (the "Company") for the year ended 31 December 2008.

Principal activity

The principal activity of the Company for the year was the provision of credit facilities through retailers.

In February 2007, the Company sold its trade receivables and related assets totaling £13.9 million to GE Capital Bank Limited, generating neither a profit nor a loss. In September 2008 the Company sold its 49% share of the joint venture in Black Horse (TRF) Limited to GE Money Two Limited, a parent undertaking for a consideration of £1, generating neither a profit or loss.

The Company was wholly owned within the General Electric Company (a company incorporated in the USA) during 2008.

On 7 January 2009, the General Electric Company completed the sale of GE Capital Bank Limited, the Company's immediate parent undertaking, to Banco Santander S.A (a company incorporated in Spain).

Results and dividend

The Company made a profit for the financial year of £38,658,000 (2007: £6,906,000).

An interim dividend of £35,000,000 was paid on 24 June 2008 to GE Capital Bank Limited, the Company's immediate parent undertaking. The directors do not recommend the payment of a final dividend (2007 £nil).

Directors

The directors who held office during the year under review are listed below, together with names of those directors who held office at the date of this report:

G P Marshall	Resigned 7 January 2009
D M Levine	Resigned 14 April 2008
R J Harvey	Resigned 7 January 2009
E D Cameron	Resigned 31 October 2008
J M DeBoer	Resigned 23 May 2008
S M Wightman	Appointed 20 November 2008, Resigned 7 January 2009
A N Mussert	Appointed 7 January 2009
R V Lovering	Appointed 7 January 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



A N Mussert
Director

19 May 2009

6 Agar Street
London
WC2N 4HR

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).

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; 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 Time Retail Finance Limited

We have audited the financial statements of Time Retail Finance Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the 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 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.

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

1 The Embankment
Neville Street
Leeds
LS1 4DW

19 May 2009

Profit and Loss Account
for the year ended 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Turnover	2	-	424
Gross profit		-	424
Administrative expenses		(13)	(271)
Operating (loss)/profit		(13)	153
Interest receivable and similar income	6	1,687	4,990
Other income	7	28	2,475
Dividends received from group undertakings		34,670	-
Profit on ordinary activities before taxation		36,372	7,618
Tax on profit on ordinary activities	9	2,286	(712)
Profit for the financial year	15,16	38,658	6,906

The above amounts relate to discontinued operations.

The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

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

Balance sheet
at 31 December 2008

	Note	2008 £000	2007 £000
Fixed assets			
Tangible assets	10	-	-
Investments	11	-	-
		-	-
Current assets			
Debtors	12	19,611	52,577
Cash at bank and in hand		259	34
		19,870	52,611
Creditors: amounts falling due within one year	13	(415)	(36,814)
Net current assets		19,455	15,797
Net Assets		19,455	15,797
Capital and reserves			
Called up share capital	14	13,800	13,800
Capital redemption reserve	15	500	500
Profit and loss account	15	5,155	1,497
Shareholders' funds	16	19,455	15,797

These financial statements were approved by the board of directors on 19 May 2009 and were signed on its behalf by:



A N Mussert
 Director

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 in accordance with applicable United Kingdom accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

(b) Income and cost recognition

Interest receivable and payable is recognised on an accruals basis.

Costs relating to opening of new accounts, being principally commissions, volume bonuses payable to intermediaries, retailers, or brokers, and other directly attributable account opening costs, are deferred. These costs are amortised to the profit and loss account in line with the recognition of income on the underlying products.

Commissions receivable from retailers on the opening of an account are recognised in the profit and loss account so as to give a constant yield over the life of the account.

(c) Provision for bad and doubtful debts

A specific provision is established by calculation of expected losses based upon impairment that has been identified before the balance sheet date in relation to each loan portfolio primarily through the application of provisioning models, or by specific identification of individual cases where practical. A general provision is established by calculation of expected losses from impairment which is known, through experience, to have occurred but which has not yet been identified. This is calculated primarily through application of provisioning models.

The provisioning models applied use historical information on the arrears performance of each portfolio to predict the amount of the debt at the balance sheet date that will be irrecoverable.

Interest on doubtful debts ceases to be recognised when there is a reasonable doubt over the collectability of principal and/or interest in accordance with the loan agreement.

All bad debts are written off against the provision in the period in which they are classified as irrecoverable. The amount necessary to bring the provisions to their assessed levels net of write offs and recoveries is charged to the profit and loss account.

(d) Investment in subsidiaries and joint ventures

Investments in subsidiary undertakings and joint ventures are stated at cost, with provision made where appropriate for any permanent diminution in value. Dividends received and receivable are credited to the Company's profit and loss account.

Notes (continued)

1. Accounting policies (continued)

(e) Tangible fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Fixtures and fittings	ten years straight-line basis
Computer hardware and office equipment	three to five years straight-line basis, dependent on type

(f) Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

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. However, 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 underlying timing difference 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.

(g) Cash flow statement

Under FRS 1 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 mentioned in note 17.

(h) 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.

2. Turnover

Turnover includes subsidy revenues from clients for providing financing facilities to their trade customers in the UK.

3. Employee information

The Company had no employees during the current or preceding year.

4. Directors' remuneration

The emoluments of the directors in relation to their services to the Company are borne by other subsidiaries of General Electric Company. They are directors and employees of other group companies and do not specifically receive any remuneration in respect of their services to the Company and it was not possible to determine an appropriate proportion of their services on behalf of the Company. Consequently their emoluments are not disclosed within these financial statements.

Notes (continued)

5. Auditors' remuneration

Remuneration received by the auditors during the current year and the previous year for audit services was borne by fellow group undertakings. The audit fee in respect of the company was:

	2008 £000	2007 £000
Audit of these financial statements	<u>6</u>	<u>6</u>

6. Interest receivable and similar income

	2008 £000	2007 £000
Receivable from group undertakings	1,687	4,989
Bank interest	-	1
	<u>1,687</u>	<u>4,990</u>

7. Other Income

Other income comprises the write back of provisions and reversal of previous write offs no longer required.

8. Dividends on equity shares

	2008 £000	2007 £000
Equity - ordinary		
Interim dividend paid - £2.53623 per share	<u>35,000</u>	-

Notes (continued)

9. Taxation

a) Analysis of (credit)/charge in the year

	2008 £000	2007 £000
UK corporation tax at 28.5% (2007: 30%)	-	2,286
Adjustment in respect of prior years	(2,286)	(1,574)
Total current tax	(2,286)	712
Tax (credit)/charge on profit on ordinary activities	(2,286)	712

b) Factors affecting current year tax (credit)/charge

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

	2008 £000	2007 £000
Profit on ordinary activities before tax	36,372	7,618
Tax on profit on ordinary activities at UK standard rate of 28.5% (2007: 30%)	10,366	2,286
Effects of:		
Non taxable dividend income	(9,881)	-
Group relief not paid for	(485)	-
Adjustments to tax charge in respect of previous periods	(2,286)	(1,574)
Total current tax charge	(2,286)	712

c) Factors that may affect future tax charges

There are no other factors that may significantly affect future tax charges. There were no amounts of provided or unprovided deferred taxation at 31 December 2008 or 31 December 2007.

Notes (continued)

10. Tangible assets

	Office equipment fixtures and fittings £000
Cost	
At beginning of year	115
Disposals	(115)
At end of year	-
Depreciation	
At beginning of year	115
Disposals	(115)
At end of year	-
Net book value	
At 31 December 2008	-
At 31 December 2007	-

11. Investments

	Joint ventures £	Subsidiary undertakings £	Total £
At beginning of year	1	100	101
Disposals	(1)	-	(1)
At end of year	-	100	100

The wholly owned subsidiary the Company held in the year is listed below.

Company	Class of shares held	Principal activities
Time Finance Limited	Ordinary	Dormant

Investment in joint ventures

On 1 February 2000 the Company entered into a joint venture with Black Horse (TRF) Limited to provide finance products to customers of Time Retail Finance Limited. Time Retail Finance Limited held 49% of the £100 nominal value of the issued shares of Black Horse (TRF) Limited, the joint venture company, but had effective joint control. These shares were acquired at their nominal value, with no goodwill arising on the transactions.

Black Horse (TRF) Limited is incorporated in England and Wales.

In September 2008 the directors sold the Black Horse (TRF) Limited joint venture to GE Money Two Limited, a parent undertaking of the Company, for consideration of £1, generating neither a profit nor a loss.

Notes (continued)

12. Debtors

	2008 £000	2007 £000
Amounts falling due within one year		
Trade debtors	10	-
Amounts owed by group undertakings	19,601	52,390
Other debtors	-	187
	<u>19,611</u>	<u>52,577</u>

13. Creditors: amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to group undertakings	363	36,426
Corporation tax	-	335
Other creditors	52	53
	<u>415</u>	<u>36,814</u>

14. Called up share capital

	2008 £000	2007 £000
Authorised		
20,500,000 ordinary shares of £1 each	20,500	20,500
500,000 8% cumulative redeemable preference shares of £1 each	500	500
	<u>21,000</u>	<u>21,000</u>
Allotted, called up and fully paid:		
13,800,002 ordinary shares of £1 each	<u>13,800</u>	<u>13,800</u>

Notes (continued)

15. Reserves

	Capital redemption reserve £000	Profit and loss account £000
At beginning of year	500	1,497
Profit for the year	-	38,658
Dividends paid	-	(35,000)
At end of year	<u>500</u>	<u>5,155</u>

16. Reconciliation of movements in equity shareholders' funds

	2008 £000	2007 £000
Profit for the financial year	38,658	6,906
Dividends paid	(35,000)	-
Net addition to equity shareholders' funds	<u>3,658</u>	<u>6,906</u>
Opening equity shareholders' funds	<u>15,797</u>	<u>8,891</u>
Closing equity shareholders' funds	<u>19,455</u>	<u>15,797</u>

17. Parent undertaking

The Company's immediate parent undertaking is GE Capital Bank Limited, a company registered in England and Wales.

The smallest group in which the results of the Company are consolidated is that headed by GE Capital Bank Limited, a company registered in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from 6 Agar Street, London, WC2N 4HR.

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 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

18. Post balance sheet event

On 7 January 2009, the General Electric Company completed the sale of GE Capital Bank Limited, the Company's immediate parent undertaking, to Banco Santander S.A (a company incorporated in Spain).