

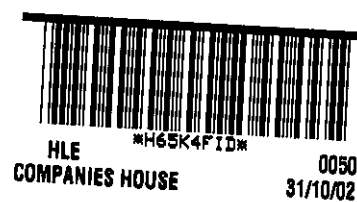
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GE Capital Modular Space Limited

Directors' report and financial statements

For the year ended 31 December 2001

Registered number: 2864100



GE Capital Modular Space Limited

Directors' report and financial statements

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GE Capital Modular Space Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activities

The principal activity of the company is the hire and sale of portable accommodation and storage units.

Results and dividends

The company made a profit before taxation of £561,000 (2000: loss of £118,000).

The directors do not recommend the payment of a dividend (2000: £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

JV Bucci	
P Jackson	(appointed 10 August 2001)
R Hodgkiss	(resigned 10 August 2001)
M Cleghorn	(resigned 10 August 2001)

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.

Charitable donations

During the year the company made no charitable donations (2000: £nil).

Creditor payment policy

The company's current policy concerning the payment of its trade creditors is to agree terms and conditions for its transactions with suppliers and to abide by those terms, subject to those terms and conditions being met by the supplier.

The company does not have a standard or code which deals specifically with the payment of suppliers. The creditor days at 31 December 2001 were 31 (2000: 26).

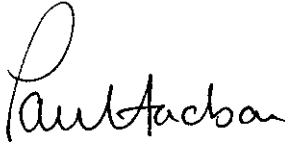
GE Capital Modular Space Limited

Directors' report *(continued)*

Auditors

On 10 February 2000 the company passed elective resolutions to dispense with the holding of annual general meetings and its obligation to appoint auditors annually, and consequently KPMG Audit Plc remain in office.

On behalf of the board



P Jackson
Director

GE House
Ten Pound Walk
Doncaster
South Yorkshire
DN4 5HW

25.10. 2002

GE Capital Modular Space 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 maintaining 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.

Independent report of the auditor, KPMG Audit Plc,
to the members of GE Capital Modular Space Limited

We have audited the financial statements on pages 5 to 15.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

Basis of audit 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

1 The Embankment
Neville Street
Leeds
LS1 4DW

25 October

2002

GE Capital Modular Space Limited

Profit and loss account for the year ended 31 December

	<i>Note</i>	2001 £000	2000 £000
Turnover	<i>1(b)</i>	15,179	15,610
Cost of sales		(9,079)	(9,593)
Gross profit		6,100	6,017
Selling and distribution costs		(856)	(1,087)
Administration expenses		(3,789)	(4,448)
Other operating charges		(40)	-
Operating profit	<i>5</i>	1,415	482
Profit on sale of fixed assets		137	54
Profit on sale of operating division		-	657
Profit on ordinary activities before interest		1,552	1,193
Interest receivable and similar income	<i>3</i>	272	419
Interest payable and similar charges	<i>4</i>	(1,263)	(1,730)
Profit/ (Loss) on ordinary activities before taxation		561	(118)
Tax on profit / (loss) on ordinary activities	<i>6</i>	(307)	(16)
Retained profit / (loss) for the financial year	<i>16</i>	254	(134)

The notes on pages 7 to 15 form part of these financial statements.

The movement in reserves is shown in note 16 to these financial statements.

The company has 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 above profit and loss account relate entirely to continuing operations.

GE Capital Modular Space Limited

Balance sheet

at 31 December

	Note	2001 £000	2000 £000
Fixed assets			
Intangible assets	7	679	757
Tangible assets	8	16,981	14,582
		<u>17,660</u>	<u>15,339</u>
Current assets			
Stock	9	99	76
Debtors; amounts falling due within one year	10	4,526	10,301
Debtors; amounts falling due after more than one year	11	3,209	3,200
		<u>7,834</u>	<u>13,577</u>
Creditors: amounts falling due within one year	12	(4,991)	(12,086)
Net current assets		<u>2,843</u>	<u>1,491</u>
Total assets less current liabilities		<u>20,503</u>	<u>16,830</u>
Creditors: amounts falling due after more than one year	13	(18,072)	(14,896)
Provisions for liabilities and charges	14	(1,297)	(1,054)
Net assets		<u>1,134</u>	<u>880</u>
Capital and reserves			
Called up share capital	15	3,885	3,885
Share premium	16	274	274
Capital redemption reserve	16	15	15
Profit and loss account	16	(3,040)	(3,294)
Shareholders' funds			
Equity		(2,466)	(2,720)
Non-equity		3,600	3,600
Total	16	<u>1,134</u>	<u>880</u>

The notes on pages 7 to 15 form part of these financial statements.

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

P Jackson
Director



25.10

2002

GE Capital Modular Space 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 in accordance with applicable 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 accounts. These financial statements present information about the company as an individual undertaking and not about its group.

(b) Turnover

Turnover represents amounts derived from the provision of goods and services after deduction of trade discounts and VAT. The turnover arose totally in the United Kingdom.

(c) Tangible fixed assets

Fixed assets are shown at cost.

Depreciation is provided on cost in equal annual instalments to a residual value over the estimated useful lives of the assets. The rates of depreciation are as follows:

Short term leasehold improvements	-	Over the term of the lease
Plant and machinery		
Accommodation units	-	10% - 20%
Other	-	20% - 50%
Motor vehicles	-	25%

(d) Deferred taxation

Deferred taxation is provided to the extent that it is probable that a tax liability will become payable in the foreseeable future.

(e) Pension costs

The company operates both defined benefit and money purchase pension schemes for certain employees. The contributions to the money purchase schemes are charged to the profit and loss account as they accrue.

(f) Hire purchase and finance lease contracts

Assets obtained under hire purchase and finance lease contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the contract in proportion to the capital element outstanding

Operating lease rentals are charged to income in equal annual amounts over the lease term.

GE Capital Modular Space Limited

Notes

(continued)

1. Accounting policies (continued)

(g) Foreign currencies

Foreign currency transactions are converted at the rates ruling at the dates of the transaction and foreign currency assets and liabilities are converted into sterling at the rates ruling at the balance sheet date, profits and losses being included in the profit and loss account.

(h) Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for permanent diminution in value.

(i) Cash flow statement

Under FRS1 (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.

(j) 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 Disclosure", in preparing its accounts. 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 accounts of General Electric Company in which the company is included are available to the public.

(k) Goodwill

The excess of the cost of any acquisitions over the fair value of the net assets acquired at the date of acquisition is included in the balance sheet as goodwill. Goodwill is written off over its useful economic life, which is estimated to be not more than 20 years.

2. Directors' remuneration and staff costs

	2001 £000	2000 £000
Directors' emoluments	181	136
Pension contributions	14	7
	<hr/>	<hr/>
	195	143
	<hr/>	<hr/>

The number of directors to whom retirement benefits were accruing at the year end was:

	Number of directors	
	2001	2000
Under defined contribution schemes	1	2
	<hr/>	<hr/>

GE Capital Modular Space Limited

Notes

(continued)

2. Directors' emoluments and staff costs (continued)

The average number of persons employed by the company (including directors) during the year analysed by category was as follows:

	Number of employees	
	2001	2000
Operations	71	77
Administration	13	15
	<hr/>	<hr/>
	84	92
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2001 £000	2000 £000
Wages and salaries	2,098	2,286
Social security costs	137	150
Other pensions costs	71	80
	<hr/>	<hr/>
	2,306	2,516
	<hr/>	<hr/>

3. Interest receivable and similar income

	2001 £000	2000 £000
On amounts due from group undertakings	272	337
Bank interest	-	82
	<hr/>	<hr/>
	272	419
	<hr/>	<hr/>

4. Interest payable and similar charges

	2001 £000	2000 £000
On amounts due to group undertakings	1,263	1,730
	<hr/>	<hr/>

GE Capital Modular Space Limited

Notes

(continued)

5. Operating profit

	2001 £000	2000 £000
Operating profit is stated after charging/(crediting):		
Remuneration of auditors and their associates:		
Audit	16	16
Depreciation and amortisation:		
Owned assets	3,465	3,321
Goodwill	78	140
Rentals under operating leases:		
Hire of plant and machinery	193	199
Other operating leases	279	243
Rentals received under operating leases	(9,232)	(8,930)
	<hr/>	<hr/>

6. Tax on profit / (loss) on ordinary activities

	2001 £000	2000 £000
UK corporation tax for the year at 30% (2000: 30%)	104	42
Deferred taxation - current year	73	(16)
Deferred taxation – adjustment relating to prior year	130	(10)
	<hr/>	<hr/>
	307	16
	<hr/>	<hr/>

7. Intangible assets

	Goodwill £000
<i>Cost</i>	
At beginning and end of year	902
	<hr/>
<i>Amortisation</i>	
At 1 January 2001	145
Charge for year	78
	<hr/>
At 31 December 2001	223
	<hr/>
<i>Net book value</i>	
At 31 December 2001	679
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At 31 December 2000	757
	<hr/>

GE Capital Modular Space Limited

Notes

(continued)

8. Tangible fixed assets

	Short-term leasehold improvements £000	Assets used in operating leases £000	Plant, Machinery and Motor vehicles £000	Total £000
<i>Cost</i>				
At 1 January 2001	1,023	24,736	648	26,407
Additions	164	5,940	45	6,149
Disposals	-	(1,597)	-	(1,597)
At 31 December 2001	1,187	29,079	693	30,959
<i>Accumulated depreciation</i>				
At 1 January 2001	166	11,158	501	11,825
Charge for year	78	3,275	112	3,465
Disposals	-	(1,312)	-	(1,312)
At 31 December 2001	244	13,121	613	13,978
<i>Net book value</i>				
At 31 December 2001	943	15,958	80	16,981
At 31 December 2000	857	13,578	147	14,582

9. Stock

	2001 £000	2000 £000
Raw materials and consumables	99	76

10. Debtors: amounts falling due within one year

	2001 £000	2000 £000
Trade debtors	3,084	4,239
Amounts due from group undertakings	723	5,693
Prepayments and accrued income	165	170
Other debtors	554	199
	4,526	10,301

GE Capital Modular Space Limited

Notes

(continued)

11. Debtors: amounts falling due after more than one year

	2001 £000	2000 £000
Amounts due from group undertakings	3,200	3,200
Other debtors	9	-
	<hr/>	<hr/>
	3,209	3,200
	<hr/>	<hr/>

12. Creditors: amounts falling due within one year

	2001 £000	2000 £000
Bank overdraft	379	293
Trade creditors	496	162
Amounts owed to group undertakings	2,881	9,846
Corporation tax	146	42
Other taxation and social security	141	388
Other creditors	136	187
Accruals and deferred income	812	1,168
	<hr/>	<hr/>
	4,991	12,086
	<hr/>	<hr/>

13. Creditors: amounts falling due after more than one year

	2001 £000	2000 £000
Amounts owed to group undertakings	18,072	14,896
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All the above amount falls due after more than five years (2000: £14,896,000).

GE Capital Modular Space Limited

Notes

(continued)

14. Provisions for liabilities and charges

	2001 £000	2000 £000
<i>Deferred taxation:</i>		
At beginning of year	1,054	1,080
Charge/(credit) for the year in the profit and loss account	73	(26)
Charge/(credit) for prior year in the profit and loss account	130	-
	<hr/>	<hr/>
At end of year	1,257	1,054
	<hr/>	<hr/>
<i>Provision for early termination of lease:</i>		
Charge/(credit) for the year in the profit and loss account	40	-
	<hr/>	<hr/>
At end of year	1,297	1,054
	<hr/>	<hr/>

The amounts provided and unprovided for deferred taxation are set out below:

	2001		2000	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Difference between accumulated depreciation and capital allowances	1,508	-	1,382	-
Other timing differences	(524)	-	(523)	-
Losses	273	(273)	195	(273)
ACT	-	-	-	(130)
	<hr/>	<hr/>	<hr/>	<hr/>
	1,257	(273)	1,054	(403)
	<hr/>	<hr/>	<hr/>	<hr/>

GE Capital Modular Space Limited

Notes

(continued)

15. Called up share capital

	2001 £000	2000 £000
<i>Authorised:</i>		
300,000 ordinary shares of £1 each	300	300
3,600,000 cumulative redeemable preference shares of £1 each ("CRPs")	3,600	3,600
	<hr/>	<hr/>
	3,900	3,900
	<hr/>	<hr/>
<i>Called up, allotted and fully paid:</i>		
285,000 ordinary shares of £1 each	285	285
3,600,000 cumulative redeemable preference shares of £1 each	3,600	3,600
	<hr/>	<hr/>
	3,885	3,885
	<hr/>	<hr/>

The CRPs were entitled to receive a cumulative net dividend of 6.5% of the subscription price paid for the shares calculated on daily basis payable on 1 July and 31 December in each year. However, on 18 January 2000, new Articles of Association were adopted, such that the preference shares now confer no right to any dividend.

The CRPs are now redeemable on demand. Previously, they were redeemable at par in six equal annual instalments commencing on 31 December 1996 or, if earlier, on the sale of the company or it obtaining a listing on a recognised stock exchange.

On a return of capital or winding up the priority for receipt of funds of the classes of shares is as follows:

- firstly, the ordinary shareholders are to receive any arrears of dividends due in respect of the ordinary shares;
- secondly, the balance is to be paid to the holders of the ordinary shares and preference shares.

The holders of the CRPs are entitled to receive notice of General Meetings but not attend and vote unless the business of the General Meeting includes a resolution for the winding up of the company, a reduction of capital or to amend the rights of the CRPs, in which case the holders of the CRPs gain one vote for each CRP. If the CRPs are enfranchised due to a resolution to amend the rights of the CRPs the holders will be entitled to vote on that resolution only.

16. Reconciliation of movements in shareholders funds

	Called up share capital £000	Share premium £000	Capital redemption reserve £000	Profit and loss account £000	2001 Share- holders' funds £000	2000 Share- Holders' Funds £000
At beginning of year	3,885	274	15	(3,294)	880	1,014
Retained profit / (loss) for the financial year	-	-	-	254	254	(134)
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At end of year	3,885	274	15	(3,040)	1,134	880
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GE Capital Modular Space Limited

Notes

(continued)

17. Commitments

- (i) At 31 December 2001 the company had no commitments to purchase fixed assets (2000: £nil).
- (ii) Annual commitments under non-cancellable operating leases are as follows:

	2001		2000	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
<i>Amounts payable within the following year in respect of leases which expire:</i>				
Within one year	58	59	11	19
Within two to five years	165	65	105	135
After five years	38	-	131	-
	<hr/>	<hr/>	<hr/>	<hr/>
	261	124	247	154
	<hr/>	<hr/>	<hr/>	<hr/>

18. Pension scheme

The pension charge on the defined contribution scheme was £nil (2000: £80,000). The accrual at the end of the year was £nil (2000: £nil).

A funded defined benefit pension scheme is operated providing benefits based on final pensionable pay. The scheme is part of a group scheme, the GE Pension Plan, covering a number of United Kingdom subsidiary companies of General Electric Company. Contributions are based on pension costs across the group. Accordingly the company is unable to identify its share of the assets and liabilities of this scheme. The funding surplus / deficit in respect of this scheme is disclosed in the financial statements of IGE USA Investments.

Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives. The contributions are determined by a qualified actuary on the basis of triennial valuations, using the projected unit method. Details of the most recent actuarial valuation are disclosed in the financial statements of IGE USA Investments.

The pension charge on the defined benefit pension scheme for the year was £72,000 (2000: £nil). The accrual at the end of the year was £nil (2000: £nil).

19. Parent undertakings

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

The smallest group in which the results of the company are consolidated is that of IGE USA Investments, a company registered in England and Wales. The consolidated financial statements for this company are available to the public and may be obtained from 3rd Floor, 1 Trevelyan Square, Boar Lane, Leeds LS1 6HP.

The 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 for this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06431, USA or at www.ge.com.