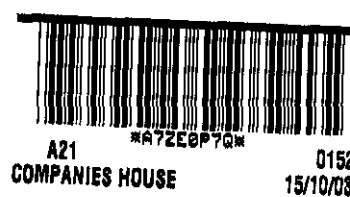


GE Capital Modular Space Limited

Directors' report and financial statements

For the year ended 31 December 2002

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 2002.

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 loss before taxation of £711,000 (2001: profit of £561,000).

The directors do not recommend the payment of a dividend (2001: £nil).

Directors and directors' interests

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

P. Jackson	(resigned 31 March 2003)
PM. Anderson	(appointed 30 May 2003)
JL. Oliver	(appointed 10 February 2003)
JV. Bucci	(resigned 10 February 2003)
DP. Brown	(appointed 14 March 2003)

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 (2001: £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.

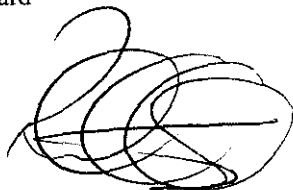
The company does not have a standard or code, which deals specifically with the payment of suppliers. The creditor days at 31 December 2002 were 34 (2001:31).

Auditors

On 10 February 2001 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

PM. Anderson
Director



Ttt October 2003

GE House
Ten Pound Walk
Doncaster
South Yorkshire
DN4 5HW

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.

Report of the independent auditor, KPMG Audit Plc, to the members of GE Capital Modular Space Limited

We have audited the financial statements on pages 4 to 15.

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 are responsible for preparing the directors' report and, as described on page 2, 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 2002 and of its loss 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

7th October

2003

GE Capital Modular Space Limited

Profit and loss account

for the year ended 31 December 2002

	Note	2002 £000	2001 £000
Turnover	1(b)	17,222	15,179
Cost of sales		(11,724)	(9,079)
Gross profit		5,498	6,100
Selling and distribution costs		(920)	(856)
Administration expenses		(4,402)	(3,789)
Other operating charges		(200)	(40)
Operating (loss)/profit	5	(24)	1,415
Profit on sale of fixed assets		197	137
Profit on ordinary activities before interest		173	1,552
Interest receivable and similar income	3	128	272
Interest payable and similar charges	4	(1,012)	(1,263)
(Loss)/profit on ordinary activities before taxation		(711)	561
Tax on (loss)/profit on ordinary activities	6	(158)	(307)
Retained (loss)/profit for the financial year	15	(869)	254

The notes on pages 6 to 15 form part of these financial statements.

The movement in reserves is shown in note 15 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 (loss)/profit for both the current and preceding periods calculated on an unmodified historical cost basis is not materially different to the (loss)/profit disclosed above. Accordingly a note of historical cost profits and losses as required by paragraph 26 of FRS 3 has not been presented.

GE Capital Modular Space Limited

Balance sheet

at 31 December 2002

	Note	2002 £000	2001 £000
Fixed assets			
Intangible assets	7	601	679
Tangible assets	8	17,659	16,981
		<u>18,260</u>	<u>17,660</u>
Current assets			
Stock	9	-	99
Debtors (including balances due after more than one year)	10	7,742	7,735
		<u>7,742</u>	<u>7,834</u>
Creditors: amounts falling due within one year	11	(2,973)	(4,991)
Net current assets		<u>4,769</u>	<u>2,843</u>
Total assets less current liabilities		<u>23,029</u>	<u>20,503</u>
Creditors: amounts falling due after more than one year	12	(21,464)	(18,072)
Provisions for liabilities and charges	13	(1,300)	(1,297)
Net assets		<u>265</u>	<u>1,134</u>
Capital and reserves			
Called up share capital	14	3,885	3,885
Share premium	15	274	274
Capital redemption reserve	15	15	15
Profit and loss account	15	(3,909)	(3,040)
Shareholders' funds			
Equity		(3,335)	(2,466)
Non-equity		3,600	3,600
Total		<u>265</u>	<u>1,134</u>

The notes on pages 6 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:

Let Outcher 2003

PM. Anderson
Director



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. The company has adopted FRS 19 'Deferred tax' in these financial statements. The adoption of this standard has no material effect on the company's financial statements and the comparative figures have therefore not been restated.

(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) *Taxation*

The charge for taxation is based on the profit for the year. It also takes into account the deferred taxation, which is recognized, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Deferred tax assets are recognised to the extent that the directors consider those assets to be recoverable.

(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 from the address mentioned in note 18.

(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 from the address mentioned in note 18.

(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

	2002 £000	2001 £000
Directors' emoluments	86	181
Pension contributions	5	14
	<hr/>	<hr/>
	91	195
	<hr/>	<hr/>

The emoluments of the highest paid director were £86,000 (2001: £83,000). Retirement benefits are accruing to 1 (2001: Nil) director under a defined benefit scheme. The accrued pension from a defined contribution scheme of the highest paid director at the end of the year was £4,000 (2001: £nil).

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	
	2002	2001
Operations	63	71
Administration	14	13
	<hr/>	<hr/>
	77	84
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2002	2001
	£000	£000
Wages and salaries	2,316	2,098
Social security costs	136	137
Other pensions costs	73	71
	<hr/>	<hr/>
	2,525	2,306
	<hr/>	<hr/>

3. Interest receivable and similar income

	2002	2001
	£000	£000
On amounts due from group undertakings	128	272
	<hr/>	<hr/>

4. Interest payable and similar charges

	2002	2001
	£000	£000
On amounts due to group undertakings	1,012	1,263
	<hr/>	<hr/>

GE Capital Modular Space Limited

Notes (continued)

5. Operating (loss)/ profit

	2002 £000	2001 £000
Operating (loss)/profit is stated after charging/(crediting):		
Remuneration of auditors and their associates:		
Audit	19	16
Depreciation and amortisation:		
Owned assets	4,034	3,465
Goodwill	78	78
Rentals under operating leases:		
Hire of plant and machinery	177	193
Other operating leases	390	279
Rentals received under operating leases	(9,724)	(9,232)
	<u> </u>	<u> </u>

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

a) Analysis of charge in the year at 30% (2001: 30%)

	2002 £000	2001 £000
UK corporation tax at 30% (2001: 30%)	154	104
Adjustment in respect of prior years	(39)	-
	<u> </u>	<u> </u>
Total current tax	115	104
	<u> </u>	<u> </u>
Deferred Tax		
Origination and reversal of timing differences	43	73
Adjustment in respect of prior years	-	130
	<u> </u>	<u> </u>
Total deferred tax	43	203
	<u> </u>	<u> </u>
Tax charge on (loss)/profit on ordinary activities	158	307
	<u> </u>	<u> </u>

GE Capital Modular Space Limited

Notes

(continued)

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

b) Factors affecting current tax charge in year

	2002 £000	2001 £000
(Loss)/profit on ordinary activities before tax	(711)	561
Tax on profit on ordinary activities at UK standard rate of 30% (2001: 30%)	(213)	168
Effects of:		
Depreciation in excess of capital allowances	(47)	(126)
Short term timing differences	4	(77)
Expenses not deductible for tax purposes	410	269
Surplus ACT utilised	-	(130)
Adjustment to tax charge in respect of prior years	(39)	-
Total current tax charge for the year	115	104

7. Intangible assets

	Goodwill £000
<i>Cost</i>	
At beginning and end of year	902
<i>Amortisation</i>	
At 1 January 2002	223
Charge for year	78
At 31 December 2002	301
<i>Net book value</i>	
At 31 December 2002	601
At 31 December 2001	679

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 2002	1,187	29,079	693	30,959
Additions	154	4,818	24	4,996
Disposals	(3)	(1,462)	(381)	(1,846)
At 31 December 2002	1,338	32,435	336	34,109
<i>Accumulated depreciation</i>				
At 1 January 2002	244	13,121	613	13,978
Charge for year	155	3,828	51	4,034
Disposals	(3)	(1,178)	(381)	(1,562)
At 31 December 2002	396	15,771	283	16,450
<i>Net book value</i>				
At 31 December 2002	942	16,664	53	17,659
At 31 December 2001	943	15,958	80	16,981

9. Stock

	2002 £000	2001 £000
Raw materials and consumables	-	99

10. Debtors

	2002 £000	2001 £000
Trade debtors	2,825	3,084
Amounts due from group undertakings	4,060	3,923
Prepayments and accrued income	254	165
Other debtors	603	563
	7,742	7,735
<i>Included in debtors are the following debtors due after more than one year:</i>		
Amounts due from group undertakings	3,200	3,200
Other debtors	-	9
	3,200	3,209

GE Capital Modular Space Limited

Notes

(continued)

11. Creditors: amounts falling due within one year

	2002 £000	2001 £000
Bank overdraft	688	379
Trade creditors	745	496
Amounts owed to group undertakings	-	2,881
Corporation tax	237	146
Other taxation and social security	56	141
Other creditors	228	136
Accruals and deferred income	1,019	812
	<u>2,973</u>	<u>4,991</u>

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

	2002 £000	2001 £000
Amounts owed to group undertakings	21,464	18,072
	<u>21,464</u>	<u>18,072</u>

Out of the above an amount of £18,842,000 (2001: £18,072,000) falls due after more than five years

13. Provisions for liabilities and charges

	Deferred taxation £000	Early termination of lease £000	Total £000
At beginning of year	1,257	40	1,297
Charge/(credit) for the year in the profit and loss account	43	(40)	3
	<u>1,300</u>	<u>-</u>	<u>1,300</u>

GE Capital Modular Space Limited

Notes (continued)

13. Provisions for liabilities and charges (continued)

The amounts provided and unprovided for deferred taxation liabilities/(assets) are set out below:

	2002		2001	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Difference between accumulated depreciation and capital allowances	1,555	-	1,508	-
Other timing differences	(528)	-	(524)	-
Losses	273	(273)	273	(273)
	<u>1,300</u>	<u>(273)</u>	<u>1,257</u>	<u>(273)</u>

14. Called up share capital

	2002 £000	2001 £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
	<u>3,900</u>	<u>3,900</u>
<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
	<u>3,885</u>	<u>3,885</u>

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 2001, 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.

GE Capital Modular Space Limited

Notes

(continued)

15. Reconciliation of movements in shareholders' funds

	Called up share capital £000	Share premium £000	Capital redemption reserve £000	Profit and loss account £000	2002 Share- holders' funds £000	2001 Share- holders' Funds £000
At beginning of year	3,885	274	15	(3,040)	1,134	880
Retained (loss)/profit for the financial year	-	-	-	(869)	(869)	254
At end of year	3,885	274	15	(3,909)	265	1,134

16. Commitments

- (i) At 31 December 2002 the company had no commitments to purchase fixed assets (2001: £nil).
- (ii) Annual commitments under non-cancellable operating leases are as follows:

	2002		2001	
	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	91	10	58	59
Within two to five years	136	152	165	65
After five years	66	-	38	-
	293	162	261	124

17. Pension scheme

The company contributes to two defined benefit schemes.

The first 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. The last full actuarial valuation was carried out at 5 April 2001 by a qualified independent actuary. At this date there was a funding deficit of £23.3 million and a funding level of 89%.

The pension charge on the GE Pension Plan defined benefit pension scheme for the year was £67,000 (2001: £72,000). The accrual at the end of the year was £nil (2001: £nil).

GE Capital Modular Space Limited

Notes

(continued)

17. Pension scheme (continued)

The second funded defined benefit pension scheme is operated providing benefits based on final pensionable pay and open only to executive band employees. The scheme is part of a group scheme, the General Electric (USA) Supplementary Pension Scheme. Members are not required to contribute to the scheme, the whole cost of a member's benefit being financed by company contributions at rates which are individually calculated on members' admission to the Scheme. 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. The last full actuarial valuation was carried out at 5 April 2001 by a qualified independent actuary. The actuarial valuation showed that the market value of the Scheme's amounted to approximately £11.1 million. The actuarial valuation of the assets was sufficient to meet 103% of accrued liabilities of the scheme.

The pension charge on the General Electric (USA) Supplementary Pension Scheme defined benefit pension scheme for the year was £6,000 (2001: £Nil). The accrual at the end of the year was £nil (2001: £nil).

Contributions to the GE Pension Plan and General Electric (USA) Supplementary Pension 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.

18. 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.