

# GE Capital Modular Space Limited

Directors' report and financial statements

For the year ended 31 December 2000

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 2000.

### Principal activities

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

### Business review

On 31 August 2000 the company sold the trade and assets of their Instant Space division to The Mobile Storage Group. The sale contributed a pre tax profit of £657,000.

### Results and dividends

The company made a loss before taxation of £118,000 (*1999: loss of £563,000*) on turnover of £15,610,000 (*1999: £20,213,000*).

The directors do not recommend the payment of a dividend (*1999: £nil*).

### Directors and directors' interests

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

M McNamara	(resigned 1 March 2000)
I Story	(resigned 3 November 2000)
R Hodgkiss	(resigned 10 August 2001)
JV Bucci	(appointed 23 February 2000)
M Cleghorn	(appointed 6 April 2000, resigned 10 August 2001)
P Jackson	(appointed 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 (*1999: £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 2000 were 26 (*1999: 47*).

# GE Capital Modular Space Limited

## Directors' report *(continued)*

### Auditors

On 10 February 1999 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*

Sandtoft Industrial Estate  
Sandtoft Road  
Belton  
Near Doncaster  
South Yorkshire  
DN9 1PN

29.10. 2001

# 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 auditors, KPMG Audit Plc, to the members of GE Capital Modular Space Limited

We have audited the financial statements on pages 5 to 16.

## *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. 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 2000 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

*31 October*

2001

# GE Capital Modular Space Limited

## Profit and loss account

for the year ended 31 December 2000

	Note	2000 £000	1999 £000
<b>Turnover</b>	<i>1(b)</i>	<b>15,610</b>	20,213
Cost of sales		(9,593)	(13,003)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>6,017</b>	7,210
Selling and distribution costs		(1,087)	(1,576)
Administration expenses		(4,448)	(4,996)
		<hr/>	<hr/>
<b>Operating profit</b>	<i>5</i>	<b>482</b>	638
Profit on sale of fixed assets		54	206
Profit on sale of operating division		657	-
Interest receivable and similar income	<i>3</i>	419	334
Interest payable and similar charges	<i>4</i>	(1,730)	(1,741)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		<b>(118)</b>	(563)
Tax on loss on ordinary activities	<i>6</i>	(16)	(224)
		<hr/>	<hr/>
<b>Retained loss for the financial year</b>	<i>17</i>	<b>(134)</b>	(787)
		<hr/>	<hr/>

The notes on pages 7 to 16 form part of these financial statements.

The movement in reserves is shown in note 17 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

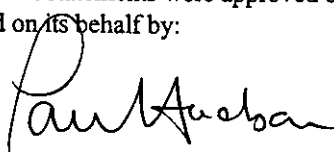
at 31 December 2000

	Note	2000 £000	1999 £000
<b>Fixed assets</b>			
Intangible assets	7	757	1,777
Tangible assets	8	14,582	17,033
Investments	9	-	-
		<u>15,339</u>	<u>18,810</u>
<b>Current assets</b>			
Stock	10	76	-
Debtors; amounts falling due within one year	11	10,301	7,770
Debtors: amounts falling due after more than one year	12	3,200	3,200
Cash at bank and in hand		-	95
		<u>13,577</u>	<u>11,065</u>
<b>Creditors: amounts falling due within one year</b>	13	<u>(12,086)</u>	<u>(5,688)</u>
<b>Net current assets</b>		<u>1,491</u>	<u>5,377</u>
<b>Total assets less current liabilities</b>		<u>16,830</u>	<u>24,187</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(14,896)	(22,093)
<b>Provisions for liabilities and charges</b>	15	(1,054)	(1,080)
		<u>880</u>	<u>1,014</u>
<b>Net assets</b>		<u>880</u>	<u>1,014</u>
<b>Capital and reserves</b>			
Called up share capital	16	3,885	3,885
Share premium	17	274	274
Capital redemption reserve	17	15	15
Profit and loss account	17	(3,294)	(3,160)
<b>Shareholders' funds</b>			
Equity		(2,720)	(2,586)
Non-equity		3,600	3,600
<b>Total</b>	17	<u>880</u>	<u>1,014</u>

The notes on pages 7 to 16 form part of these financial statements.

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

P Jackson  
Director



29.10. 2001 and



# 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

	2000 £000	1999 £000
Directors' emoluments	136	148
Pension contributions	7	13
	<hr/>	<hr/>
	143	161
	<hr/>	<hr/>

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

	Number of directors	
	2000	1999
Under defined contribution schemes	2	1
Under defined benefit schemes	-	1
	<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	
	2000	1999
Operations	77	87
Administration	15	19
	<hr/>	<hr/>
	92	106
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2000	1999
	£000	£000
Wages and salaries	2,286	2,467
Social security costs	150	180
Other pensions costs	80	59
	<hr/>	<hr/>
	2,516	2,706
	<hr/>	<hr/>

### 3. Interest receivable and similar income

	2000	1999
	£000	£000
On amounts due from group undertakings	337	229
Bank interest	82	105
	<hr/>	<hr/>
	419	334
	<hr/>	<hr/>

### 4. Interest payable and similar charges

	2000	1999
	£000	£000
On amounts due to group undertakings	1,730	1,741
	<hr/>	<hr/>

# GE Capital Modular Space Limited

## Notes

(continued)

### 5. Operating profit

	2000 £000	1999 £000
Operating profit is stated after charging/(crediting):		
Remuneration of auditors and their associates:		
Audit	16	17
Depreciation and amortisation:		
Owned assets	3,321	3,446
Goodwill	140	144
Rentals under operating leases:		
Hire of plant and machinery	199	244
Other operating leases	243	305
Rentals received under operating leases	(8,930)	(9,909)
	<u>          </u>	<u>          </u>

### 6. Tax on loss on ordinary activities

	2000 £000	1999 £000
UK corporation tax on the loss for the year at 30% (1999: 30.25%)	42	-
Deferred taxation - current year	(16)	(58)
Deferred taxation - adjustment relating to prior year	(10)	-
Write-off of deferred tax asset	-	282
	<u>          </u>	<u>          </u>
	16	224
	<u>          </u>	<u>          </u>

# GE Capital Modular Space Limited

## Notes

(continued)

### 7. Intangible assets

	<b>Goodwill £000</b>
<i>Cost</i>	
At 1 January 2000	1,996
Disposals	(1,094)
	<hr/>
<b>At 31 December 2000</b>	<b>902</b>
	<hr/>
<i>Amortisation</i>	
At 1 January 2000	219
Charge for year	140
Disposals	(214)
	<hr/>
<b>At 31 December 2000</b>	<b>145</b>
	<hr/>
<i>Net book value</i>	
<b>At 31 December 2000</b>	<b>757</b>
	<hr/> <hr/>
<b>At 31 December 1999</b>	<b>1,777</b>
	<hr/> <hr/>

On 31 August 2000 the company sold the trade and assets of their Instant Space division to The Mobile Storage Group.

# 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 2000	955	27,785	670	29,410
Additions	68	3,379	27	3,474
Disposals	-	(6,428)	(49)	(6,477)
<b>At 31 December 2000</b>	<b>1,023</b>	<b>24,736</b>	<b>648</b>	<b>26,407</b>
<i>Accumulated depreciation</i>				
At 1 January 2000	112	11,850	415	12,377
Charge for year	54	3,135	132	3,321
Disposals	-	(3,827)	(46)	(3,873)
<b>At 31 December 2000</b>	<b>166</b>	<b>11,158</b>	<b>501</b>	<b>11,825</b>
<i>Net book value</i>				
<b>At 31 December 2000</b>	<b>857</b>	<b>13,578</b>	<b>147</b>	<b>14,582</b>
At 31 December 1999	843	15,935	255	17,033

### 9. Investments

At 1 January 2000 the company held 100% of the ordinary shares in issue of Siteguard Limited, a company incorporated in England and Wales. At that date the cost and carrying value of the investment was £2.

Siteguard Limited was dissolved on 15 August 2000.

### 10. Stock

	2000 £000	1999 £000
Raw materials and consumables	76	-

# GE Capital Modular Space Limited

## Notes

(continued)

### 11. Debtors: amounts falling due within one year

	2000 £000	1999 £000
Trade debtors	4,239	3,368
Amounts due from group undertakings	5,693	3,293
Prepayments and accrued income	170	963
Other debtors	199	146
	<hr/>	<hr/>
	10,301	7,770
	<hr/>	<hr/>

### 12. Debtors: amounts falling due after more than one year

	2000 £000	1999 £000
Amounts due from group undertakings	3,200	3,200
	<hr/>	<hr/>

### 13. Creditors: amounts falling due within one year

	2000 £000	1999 £000
Bank overdraft	293	-
Trade creditors	162	505
Amounts owed to group undertakings	9,846	2,902
Corporation tax	42	-
Other taxation and social security	388	483
Other creditors	187	318
Accruals and deferred income	1,168	1,480
	<hr/>	<hr/>
	12,086	5,688
	<hr/>	<hr/>

### 14. Creditors: amounts falling due after more than one year

	2000 £000	1999 £000
Amounts owed to group undertakings	14,896	22,093
	<hr/>	<hr/>

The above amount all falls due after more than five years (1999: £22,093,000).

# GE Capital Modular Space Limited

## Notes

(continued)

### 15. Provisions for liabilities and charges

	2000 £000	1999 £000
<b>Deferred taxation:</b>		
At beginning of year	1,080	1,138
Deferred tax asset acquired	-	(282)
Credit for the year in the profit and loss account	(26)	(58)
Deferred tax asset written off	-	282
	<hr/>	<hr/>
<b>At end of year</b>	<b>1,054</b>	<b>1,080</b>
	<hr/>	<hr/>

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

	2000		1999	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Difference between accumulated depreciation and capital allowances	1,382	-	2,098	-
Other timing differences	(523)	-	(625)	-
Losses	195	(273)	(393)	(273)
ACT	-	(130)	-	(214)
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>1,054</b>	<b>(403)</b>	<b>1,080</b>	<b>(487)</b>
	<hr/>	<hr/>	<hr/>	<hr/>

### 16. Called up share capital

	2000 £000	1999 £000
<b>Authorised:</b>		
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/>
	<b>3,900</b>	<b>3,900</b>
	<hr/>	<hr/>
<b>Called up, allotted and fully paid:</b>		
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/>
	<b>3,885</b>	<b>3,885</b>
	<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 1999, new Articles of Association were adopted, such that the preference shares now confer no right to any dividend.



# GE Capital Modular Space Limited

## Notes

(continued)

### 16. Called up share capital (continued)

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.

### 17. Reconciliation of movements in shareholders funds

	Called up share capital £000	Share premium £000	Capital redemption reserve £000	Profit and loss account £000	2000 Share- holders' funds £000	1999 Share- holders' funds £000
At beginning of year	3,885	274	15	(3,160)	1,014	1,801
Retained loss for the financial year	-	-	-	(134)	(134)	(787)
At end of year	<u>3,885</u>	<u>274</u>	<u>15</u>	<u>(3,294)</u>	<u>880</u>	<u>1,014</u>

### 18. Commitments

- (i) At 31 December 2000 the company had no commitments to purchase fixed assets (1999: £nil).
- (ii) Annual commitments under non-cancellable operating leases are as follows:

	2000		1999	
	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	11	19	6	-
Within two to five years	105	135	62	147
After five years	131	-	176	-
	<u>247</u>	<u>154</u>	<u>244</u>	<u>147</u>

# GE Capital Modular Space Limited

## Notes

*(continued)*

### 19. Pension scheme

The company participates in a number of pension schemes of the money purchase type and the assets of the schemes are held in separate trustee administered funds. In the directors' opinion no individual scheme is significant.

The pension charge on the defined contribution scheme was £80,000 (1999: £45,000). At 31 December 2000 and 31 December 1999 there was no accrual on this scheme.

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 as a whole.

The pension charge on the defined benefit pension scheme for the year was £nil (1999: £14,000). 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. At 31 December 2000 and 31 December 1999 there was no accrual on this scheme.

### 20. 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](http://www.ge.com).