

IGE USA Group Limited

Directors' report and financial statements
For the year ended 31 December 2003
Registered number: 3053570



IGE USA Group Limited

Directors' report and financial statements

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IGE USA Group Limited

Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2003.

Principal activities

The company acts as a holding company for certain European subsidiaries of General Electric Company (USA).

Business review

The company made a profit before taxation for the year of £17,148,000 (2002: £267,894,000).

Post balance sheet events

On 30 April 2004 the company purchased 25,483,540 ordinary shares of £1 each in NBC (UK) Holdings Limited. These shares were sold to GE Capital International Holdings Corporation on the same date at their fair market value.

Dividends

The directors do not recommend the payment of a dividend (2002: £nil).

Directors and directors' interests

The directors who held office during the year and up to the date of the directors' report were as follows:


PA Green	
JM Crowther	(resigned 30 April 2004)
M Risinger	
RG Clark	
WH Morris	(appointed 22 July 2004)
ZJ Citron	(appointed 20 June 2003, resigned 11 July 2003, re-appointed 6 May 2004)

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.

Auditors

Pursuant to a shareholders' resolution, dated 11 July 1996, the company is not obliged to re-appoint auditors of the company annually and consequently KPMG Audit Plc will continue in office.

On behalf of the board



PA Green
Director

19th April 2005

3rd Floor
1 Trevelyan Square
Boar Lane
Leeds
LS1 6HP

IGE USA Group 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 year. 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; 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 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 IGE USA Group Limited

We have audited the financial statements on pages 4 to 11.

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 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 of the state of the company's affairs as at 31 December 2003 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

19 April

2005

1 The Embankment
Neville Street
Leeds
LS1 4DW

IGE USA Group Limited

Profit and loss account for the year ended 31 December 2003

	Note	2003 £000	2002 £000
Administrative expenses		(56)	(1)
Operating loss	2	(56)	(1)
Income from shares in group undertakings	5	-	262,000
Profit on ordinary activities before interest and taxation		(56)	261,999
Interest receivable and similar income	6	17,253	6,220
Interest payable and similar charges	7	(49)	(325)
Profit on ordinary activities before taxation		17,148	267,894
Tax on profit on ordinary activities	8	(5,156)	(1,775)
Retained profit for the financial year	13	11,992	266,119

The notes on pages 6 to 11 form part of these financial statements.

The movement in reserves is shown in note 13 to these financial statements.

The results in the above profit and loss account relate entirely to continuing 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.

IGE USA Group Limited

Balance sheet at 31 December 2003

	Note	2003 £000	2002 £000
Fixed assets			
Investments	9	998,192	998,192
Current assets			
Debtors	10	424,996	408,069
Creditors: amounts falling due within one year	11	(8,702)	(3,767)
Net current assets		416,294	404,302
Net assets		1,414,486	1,402,494
Capital and reserves			
Called up share capital	12	970,032	970,032
Share premium	13	87,773	87,773
Profit and loss account	13	356,681	344,689
Shareholders' funds			
Equity		1,015,170	1,003,178
Non-equity		399,316	399,316
Total shareholders' funds	13	1,414,486	1,402,494

The notes on pages 6 to 11 form part of these financial statements.

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

19th April

2005

PA Green

PA Green
Director

IGE USA Group 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 United Kingdom accounting standards under the historical cost convention and on a going concern basis.

(b) Taxation

The charge for taxation is based on the profit for the year. Deferred tax is recognised, 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.

(c) Investments

Investments in subsidiary undertakings are stated at cost less provisions for permanent diminutions in value where necessary.

(d) Cash flow statement

Under FRS 1 (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 and can be obtained from the address given in note 15.

(e) Income from shares in group undertakings

Investment income arising from dividends is recognised when dividends are declared by subsidiary undertakings.

(f) 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 15.

(g) Group financial statements

The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare and deliver group financial statements.

These financial statements present information about IGE USA Group Limited as an individual undertaking and not about its group.

IGE USA Group Limited

Notes

(continued)

(h) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2. Operating loss

	2003 £000	2002 £000
Operating loss is stated after charging:		
Auditors' remuneration	2	1

3. Directors' emoluments

None of the directors of the company received any emoluments during the year (2002: £nil).

4. Staff numbers and costs

The company had no employees during the year (2002: nil).

5. Income from shares in group undertakings

	2003 £000	2002 £000
Dividends received from group undertakings	-	262,000

6. Interest receivable and similar income

	2003 £000	2002 £000
On amounts owed by group undertakings	17,253	6,220

7. Interest payable and similar charges

	2003 £000	2002 £000
On amounts owed to group undertakings	49	302
Other interest payable	-	23
	49	325

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Notes (continued)

8. Tax on profit on ordinary activities

a) Analysis of charge in the year

	2003 £000	2002 £000
UK corporation tax at 30% (2002: 30%)	5,156	1,775

b) Factors affecting current tax charge in year

	2003 £000	2002 £000
Profit on ordinary activities before tax	17,148	267,894
Tax on profit on ordinary activities at UK standard rate of 30% (2002: 30%)	5,145	80,368
Effects of:		
Non taxable UK dividend income	-	(78,600)
Expenses not deductible for tax purposes	11	7
Total current tax charge for the year	5,156	1,775

9. Investments

	Shares in subsidiary undertakings £000
At beginning and end of year	998,192

The company owns the following subsidiary undertakings, registered in England and Wales:

Subsidiary undertaking	Principal activity	Proportion of share capital held by the company	Class of share
International General Electric (USA)	Holding company	100%	Ordinary
Smallworldwide Limited (formerly Smallworldwide Plc)	Providing Loans to group undertakings	100%	Ordinary
PII Group Limited	Holding company	100%	Ordinary A
GE Speciality Material (UK)	Sale of Quartz glass	100%	Ordinary
Advanced Ceramics (Europe) Ltd	Manufacture of advanced ceramic material	100%	Ordinary

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Notes

(continued)

9. Investments (continued)

International General Electric (USA) holds investments in a number of group undertakings, details of which are disclosed in that company's financial statements.

In the opinion of the directors, the market value of the investments is not less than the carrying value in these financial statements.

10. Debtors

	2003 £000	2002 £000
Amounts owed by group undertakings	424,996	408,069

11. Creditors: amounts falling due within one year

	2003 £000	2002 £000
Amounts owed to group undertakings	4,682	1,683
Corporation tax	4,015	2,082
Accruals and deferred income	5	2
	8,702	3,767

12. Called up share capital

	2003 £000	2002 £000
<i>Authorised</i>		
850,000,000 ordinary shares of £1 each	850,000	850,000
350,000,000 'Y' shares of £1 each	350,000	350,000
25,000,000 preference shares of £1 each	25,000	25,000
300,000,000 redeemable shares of £1 each	300,000	300,000
	1,525,000	1,525,000
<i>Allotted, called up and fully paid</i>		
570,715,931 ordinary shares of £1 each	570,716	570,716
99,315,912 'Y' shares of £1 each	99,316	99,316
300,000,000 redeemable shares of £1 each	300,000	300,000
	970,032	970,032

The redeemable shares rank *pari passu* with the other issued shares in the company, save that any redeemable shares may be redeemed at par at any time.

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Notes

(continued)

15. Parent undertakings

The smallest group in which the results of the company are consolidated is that headed by its immediate parent undertaking, IGE USA Investments, a company registered in England and Wales. The consolidated financial statements of 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 of this company are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06431 or at www.ge.com.