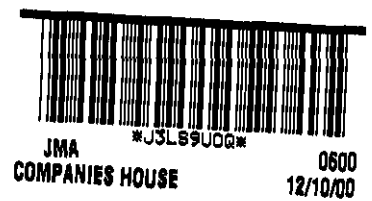


Hikenear Limited

Directors' report and financial statements

For the year ended 31 December 1999

Registered Number: 3320928



Hikenear Limited

Directors' report and financial statements

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Hikenear Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 1999.

Principal activities

The company ceased trading on 31 August 1997. Up to that date, its principal activity was the provision of vehicle contract hire.

Results and dividends

The company did not trade during the year and consequently made neither a profit nor a loss (1998: £nil).

The directors do not recommend the payment of a dividend (1998: £300,000). No transfer was made to reserves. (1998: transfer from reserves £300,000)

Year 2000

The company recognised the importance of the Year 2000 issue, completed a full assessment of its impact and committed resources to its resolution. To date, the company's results and operations have not been adversely affected either by internal Year 2000 compliance failures or the inability of any third parties to manage the issue. The directors recognise the need to continue to monitor the Year 2000 issue and are confident that the steps being undertaken will continue to avoid disruption.

Directors and directors' interests

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

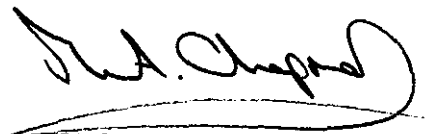
| | |
|------------|------------------------------|
| J Burr | (resigned 15 November 1999) |
| MA Chapman | |
| MJC Reed | (appointed 12 November 1999) |
| SM Taylor | (appointed 25 January 2000) |

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

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit Plc as auditor of the company is to be proposed at the forthcoming annual general meeting.

On behalf of the board



MA Chapman
Director

Old Hall Road
Sale
Cheshire
M33 2GZ

29th September 2000

Hikenear 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 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 auditor, KPMG Audit Plc, to the members of Hikenear Limited

We have audited the financial statements on pages 4 to 7.

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. 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 1999 and of its result 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

St. James' Square
Manchester
M2 6DS

29th September 2000

Hikenear Limited

Profit and loss account

for the year ended 31 December 1999

| | <i>Note</i> | 1999 | 1998 |
|---|-------------|-------------|-------------|
| | | £ | £ |
| Profit for financial period | | - | - |
| Dividends | | - | (300,000) |
| | | <hr/> | <hr/> |
| Retained loss for the financial year | <i>6</i> | - | (300,000) |
| | | <hr/> | <hr/> |

The company has no other gains and losses other than those shown above and the prior year adjustment in the year ended 31st December 1998. The prior year adjustments are detailed in Note 4 to the account and resulted in additional profits of £1,696,442.

Hikenear Limited

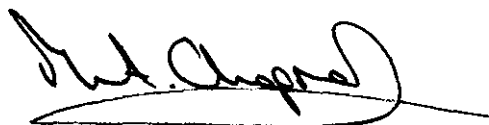
Balance sheet

at 31 December 1999

| | Note | 1999 £ | 1998 £ |
|-------------------------------------|------|-----------|-----------|
| Current assets | | | |
| Debtors | | | |
| Amounts due from group undertakings | | 112,189 | 112,189 |
| | | <hr/> | <hr/> |
| Net assets | | 112,189 | 112,189 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 3 | 2 | 2 |
| Profit and loss account | 4 | 112,187 | 112,187 |
| | | <hr/> | <hr/> |
| Equity shareholders' funds | 4 | 112,189 | 112,189 |
| | | <hr/> | <hr/> |

The notes on pages 6 and 7 form part of these financial statements.

The financial statements were approved by the board of directors on 29th September 2000 and signed on its behalf by:



MA Chapman
Director

Hikenear 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 accounting

The financial statements have been prepared in accordance with historical cost accounting rules and applicable Accounting Standards.

(b) Profit and loss account

The company has not traded during the current or preceding financial years and has made neither a profit nor a loss.

(c) Cash flow statement

Under FRS1 (Revised) 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.

(d) Transactions with related parties

The company, as a wholly owned subsidiary undertaking of General Electric Company during the period, 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.

2. Directors' remuneration

No director received any remuneration in respect of services to the company during the current or preceding financial years.

3. Share capital

| | 1999 £ | 1998 £ |
|--|-----------|-----------|
| <i>Authorised:</i> | | |
| 2 ordinary shares of £1 each | 2 | 2 |
| | <hr/> | <hr/> |
| <i>Allotted, called up and fully paid:</i> | | |
| 2 ordinary shares of £1 each | 2 | 2 |
| | <hr/> | <hr/> |

Hikenear Limited

Notes

(continued)

4. Reconciliation of movements in equity shareholders' funds

| | Called up share capital £ | Profit and loss account £ | 1999 Shareholders' funds £ | 1998 Shareholders' funds £ |
|--|---------------------------------|---------------------------------|-------------------------------------|-------------------------------------|
| At beginning of year as previously stated | 2 | 112,187 | 112,189 | (1,284,253) |
| Prior year adjustment | - | - | - | 1,696,442 |
| At beginning of year as restated | 2 | 112,187 | 112,189 | 412,189 |
| Retained loss for the year | - | - | - | (300,000) |
| At end of year | 2 | 112,187 | 112,189 | 112,189 |

5. Parent undertakings

The company's immediate parent undertaking is Leasecontracts Limited, registered in England and Wales.

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 General Electric Company are available to the public and may be obtained 3135 Easton Turnpike, Fairfield, Connecticut 06431, USA.

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 accounts for this company are available to the public and may be obtained from 3rd Floor, 1 Trevelyan Square, Boar Lane, Leeds LS1 6HP.

6. Prior year adjustment

Goodwill of £1,696,442 relating to the purchase of the trade, assets and liabilities of BRS was written off in 1997. As all the assets in Hikenear Limited were sold to Leasecontracts Limited, the goodwill should also have been transferred to Leasecontracts Limited.