

IGE Treasury Services Limited

Directors' report and financial statements

For the year ended 31 December 2001

Registered Number: 3689771



IGE Treasury Services Limited

Directors' report and financial statements

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IGE Treasury Services Limited

Directors' report

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

Principal activities

The company acts as a provider of finance to subsidiary undertakings of General Electric.

Results and dividends

The company made a profit before tax for the year of £11,238,000 (2000: £12,265,000).

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

Directors and directors' interests

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

Mrs PA Green
JM Crowther
M Risinger
RG Clark (appointed 14 December 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 the exemption to disclose directors' share interests and options in group companies

Auditors

Pursuant to a shareholder's resolution dated 27 May 1999, the company is not obliged to re-appoint auditors of the company annually and KPMG Audit Plc will continue in office.

On behalf of the board



Mrs PA Green
Director

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

20th December 2002

IGE Treasury Services 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.

Independent report of the auditor, KPMG Audit Plc,
to the member of IGE Treasury Services Limited

We have audited the financial statements on pages 4 to 9.

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 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

20th December

2002

IGE Treasury Services Limited

Profit and loss account

for the year ended 31 December 2001

	Note	2001 £000	2000 £000
Administrative expenses		(3)	(5)
Operating loss		(3)	(5)
Interest receivable and similar income	4	32,942	28,743
Interest payable and similar charges	5	(21,701)	(16,473)
Profit on ordinary activities before taxation	2	11,238	12,265
Tax on profit on ordinary activities	6	(3,371)	(3,680)
Retained profit for the year		7,867	8,585
Retained profit brought forward		14,159	5,574
Retained profit carried forward	11	22,026	14,159

The notes on pages 6 to 9 form part of 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 Treasury Services Limited

Balance sheet

at 31 December 2001

	Note	2001 £000	2000 £000
Current assets			
Debtors	7	791,839	415,247
Cash at bank and in hand		10,654	10,731
		<hr/>	<hr/>
		802,493	425,978
Creditors: amounts falling due within one year	8	(622,467)	(253,819)
		<hr/>	<hr/>
Net assets		180,026	172,159
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	158	158
Share premium account	11	157,842	157,842
Profit and loss account	11	22,026	14,159
		<hr/>	<hr/>
Equity shareholder's funds	11	180,026	172,159
		<hr/>	<hr/>

The notes on pages 6 to 9 form part of these financial statements.

These financial statements were approved by the board of directors on **20th December** 2002 and signed on its behalf by:

Mrs PA Green

Mrs PA Green
Director

IGE Treasury Services Limited

Notes

(forming part of the financial statements)

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom, under the historical cost convention and on a going concern basis.

(b) Cash flow statement

Under Financial Reporting Standard 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.

(c) Deferred taxation

Deferred taxation is provided, under the liability method, on all timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future.

(d) Transactions with related parties

The company, as a wholly owned subsidiary undertaking of General Electric Company, has taken advantage of an exemption contained in Financial Reporting Standard 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.

(e) 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. Profit on ordinary activities before taxation

Administrative expenses include audit fees of £2,000 (2000: £3,000).

3. Directors' emoluments and employee information

The directors of the company received no remuneration in their capacity as directors of IGE Treasury Services Limited (2000: £nil).

No staff are employed by the company (2000: nil).

IGE Treasury Services Limited

Notes

(continued)

4. Interest receivable and similar income

	2001 £000	2000 £000
On amounts owed by group undertakings	32,372	27,868
Bank interest receivable	570	517
Exchange gains	-	358
	<u>32,942</u>	<u>28,743</u>

5. Interest payable and similar charges

	2001 £000	2000 £000
On amounts owed to group undertakings	21,065	16,177
On bank loans and overdrafts	132	296
Exchange loss	504	-
	<u>21,701</u>	<u>16,473</u>

6. Taxation

	2001 £000	2000 £000
UK corporation tax at 30% (2000: 30%)	3,371	3,680
Double tax relief	(11)	-
With holding tax on overseas interest	11	-
	<u>3,371</u>	<u>3,680</u>

7. Debtors

	2001 £000	2000 £000
Due within one year		
Amounts owed by group undertakings	791,839	415,247

IGE Treasury Services Limited

Notes

(continued)

8. Creditors: amounts falling due within one year

	2001 £000	2000 £000
Bank overdraft	-	6,132
Amounts owed to group undertakings	620,671	245,241
Corporation tax	1,794	2,443
Accruals and deferred income	2	3
	<u>622,467</u>	<u>253,819</u>

9. Deferred taxation

The company has no unprovided or potential deferred taxation liability (2000: £nil).

10. Called up share capital

	2001 £000	2000 £000
<i>Authorised:</i>		
200,000,000 ordinary shares of £1	200,000	200,000
<i>Allotted, called up and fully paid:</i>		
158,002 ordinary shares of £1	158	158

11. Reconciliation of movements in shareholder's funds

	Share Capital £000	Share premium account £000	Profit and loss account £000	Shareholder's funds 2001 £000	Shareholder's funds 2000 £000
At beginning of year	158	157,842	14,159	172,159	163,574
Retained profit for the year	-	-	7,867	7,867	8,585
At end of year	<u>158</u>	<u>157,842</u>	<u>22,026</u>	<u>180,026</u>	<u>172,159</u>

12. Parent undertakings

The company's immediate parent undertaking is International General Electric (USA), a company registered in England and Wales. The smallest group in which the results of the company are consolidated is that headed by 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 its 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, USA or at www.ge.com.

IGE Treasury Services Limited

Notes

(continued)

13. Cross guarantees

The company is party to pooling arrangements with other General Electric Company group companies with full set-off via a series of cross guarantees. The company's maximum liability under these arrangements at 31 December 2001 was £65.9 million (2000: £6.6 million).