

IGE Treasury Services Limited

Directors' report and financial statements
For the year ended 31 December 2003
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 annual report and the audited financial statements of the company for the year ended 31 December 2003.

Principal activities

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

Results and dividends

The company made a profit before tax for the year of £8,723,000 (2002: £11,702,000).

The directors do not recommend the payment of a dividend (2002: £15,000,000).

Directors and directors' interests

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

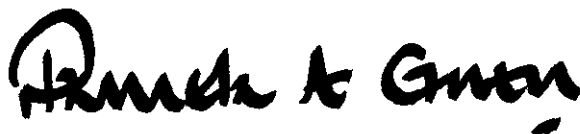
PA Green	
JM Crowther	(resigned 30 April 2004)
M Risinger	
RG Clark	
ZJ Citron	(appointed 20 June 2003, resigned 11 July 2003, re-appointed 6 May 2004)
WH Morris	(appointed 6 May 2004)

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 27 May 1999, 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

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

25th October 2004

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 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 Treasury Services Limited

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

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

1 The Embankment
Neville Street
Leeds
LS1 4DW

25th October

2004

IGE Treasury Services Limited

Profit and loss account

for the year ended 31 December 2003

	<i>Note</i>	2003 £000	2002 £000
Administrative expenses		(36)	(2)
Operating loss		(36)	(2)
Interest receivable and similar income	4	25,020	34,320
Interest payable and similar charges	5	(16,261)	(22,616)
Profit on ordinary activities before taxation	2	8,723	11,702
Tax on profit on ordinary activities	6	(2,617)	(3,511)
Profit on ordinary activities after taxation	11	6,106	8,191
Dividend proposed		-	(15,000)
Retained profit/(loss) for the year		6,106	(6,809)
Retained profit brought forward		15,217	22,026
Retained profit carried forward	11	21,323	15,217

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.

The profit/(loss) for the current and preceding financial year calculated on a historical cost basis is not materially different to the profit/(loss) disclosed above. Accordingly a note of historical cost profits and losses as required by paragraph 26 of FRS 3 has not been presented.

IGE Treasury Services Limited

Balance sheet

at 31 December 2003

	Note	2003 £000	2002 £000
Current assets			
Debtors	7	510,727	542,444
Cash at bank and in hand		218	-
		<u>510,945</u>	<u>542,444</u>
Creditors: amounts falling due within one year	8	<u>(331,622)</u>	<u>(369,227)</u>
Net assets		<u>179,323</u>	<u>173,217</u>
Capital and reserves			
Called up share capital	10	158	158
Share premium account	11	157,842	157,842
Profit and loss account	11	21,323	15,217
		<u>179,323</u>	<u>173,217</u>
Equity shareholders' funds	11	<u>179,323</u>	<u>173,217</u>

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

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

25th October

2004

PA Green

PA Green
Director

IGE Treasury Services Limited

Notes

(forming part of the financial statements)

1. Principal 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 applicable United Kingdom accounting standards, under the historical cost convention and on a going concern basis.

(b) 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 12.

(c) 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.

(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 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 mentioned in note 12.

(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 £4,000 (2002: £1,000).

3. Directors' emoluments and employee information

The directors of the company received no remuneration in their capacity as directors of IGE Treasury Services Limited during the year (2002: £nil).

No staff are employed by the company (2002: nil).

IGE Treasury Services Limited

Notes

(continued)

4. Interest receivable and similar income

	2003 £000	2002 £000
On amounts owed by group undertakings	25,020	34,320
	<u>25,020</u>	<u>34,320</u>

5. Interest payable and similar charges

	2003 £000	2002 £000
On amounts owed to group undertakings	16,261	22,605
On bank loans and overdrafts	-	1
Exchange loss	-	10
	<u>16,261</u>	<u>22,616</u>

6. Tax on profit on ordinary activities

a) Analysis of charge in the year

	2003 £000	2002 £000
UK corporation tax at 30% (2002: 30%)	2,617	3,511
Adjustment in respect of prior years	-	-
	<u>2,617</u>	<u>3,511</u>
Total current tax	2,617	3,511
Deferred taxation	-	-
	<u>2,617</u>	<u>3,511</u>
Tax on profit on ordinary activities	2,617	3,511

IGE Treasury Services Limited

Notes

(continued)

6. Tax on profit on ordinary activities (continued)

b) Factors affecting current tax charge in year

	2003 £000	2002 £000
Profit on ordinary activities before tax	8,723	11,702
Tax on profit on ordinary activities at UK standard rate of 30% (2002: 30%)	2,617	3,511
Effects of:		
Other	-	-
Total current tax charge for the year	2,617	3,511

7. Debtors

	2003 £000	2002 £000
Amounts owed by group undertakings	510,727	542,444

8. Creditors: amounts falling due within one year

	2003 £000	2002 £000
Bank overdraft	2	3
Amounts owed to group undertakings	328,771	367,235
Corporation tax	2,629	1,987
Other creditors	218	-
Accruals and deferred income	2	2
	331,622	369,227

9. Deferred taxation

The company had no provided or unprovided deferred taxation as at 31 December 2003 or 31 December 2002.

10. Called up share capital

	2003 £000	2002 £000
Authorised:		
200,000,000 ordinary shares of £1 each	200,000	200,000
Allotted, called up and fully paid:		
158,002 ordinary shares of £1 each	158	158

IGE Treasury Services Limited

Notes

(continued)

11. Reconciliation of movements in shareholders' funds

	Share capital £000	Share premium account £000	Profit and loss account £000	Share- holders' funds 2003 £000	Share- holders' funds 2002 £000
At beginning of year	158	157,842	15,217	173,217	180,026
Retained profit for the year	-	-	6,106	6,106	8,191
Dividends	-	-	-	-	(15,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	158	157,842	21,323	179,323	173,217
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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.

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 as at 31 December 2003 was £97.9 million (2002: £134.6 million).