

**GE Money Home Lending Limited (formerly
igroup5 limited)**
(Registered Number: 3770763)

Directors' Report and Financial Statements
Year ended 31 December 2003



GE Money Home Lending Limited (formerly igroup5 limited)

Company Information

Directors

M Bellora
J Boakes
J Harris
D Harvey
A Punch
C G Sanders
C Shave
S W Sinclair
J Spencer
I G Story
E Sully
S Webb

Company Secretary

K Shah

Registered Office

Malvern House
Hatters Lane
Croxley Business Park
Watford
WD18 8YF

Company Solicitors

Weil Gotshal & Manges
One South Place
London EC2M 2WG

Company Auditor

KPMG Audit plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

GE Money Home Lending Limited (formerly igroup5 limited)

Directors' Report

Year ended 31 December 2003

The directors present their report and the audited financial statements of GE Money Home Lending Limited (formerly igroup5 limited) ("the Company"), for the year ended 31 December 2003.

Principal Activity

The principal activity of the Company is the provision of mortgages and secured personal loans.

Review of the Business and Future Prospects

The directors are satisfied with the result for the year and the future prospects of the Company.

On 29 January 2004, the Company transferred the trade and assets to igroup loans limited and igroup mortgages limited, both fellow subsidiaries, in return for cash consideration of £35,231,000, being the book value of the assets transferred at point of sale.

On 28 June 2004 the directors approved as part of an internal restructure that ownership of the Company will be transferred to igroup mortgages limited in a share-for-share exchange. Igroup mortgages limited will then be sold by its immediate parent company, igroup holdings limited, and transferred to First National Home Finance Limited, a related party, at market value.

Change of Name

On 5 March 2004, igroup5 limited changed its name to GE Money Home Lending Limited.

Results and Dividends

The results for the year are shown in the profit and loss account on page 5, which shows a profit on ordinary activities before taxation of £1.7 million (2002: £1.1 million).

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

Directors

The directors who served during the year and to the date of this report are:

	Appointed	Resigned
P Askew		2 May 2004
M Bellora	26 May 2004	
J Boakes	18 February 2004	
P Brennan		26 May 2004
R Davis	29 March 2004	21 June 2004
S J Deane-Johns		31 January 2004
J A Kagan		15 March 2004
J Harris	26 May 2004	
D Harvey	25 March 2004	
A Punch	28 June 2004	
C G Sanders		
C Shave	25 March 2004	
S W Sinclair		
J Spencer	28 June 2004	
I G Story		
E Sully	25 March 2004	
S Webb	26 May 2004	

GE Money Home Lending Limited (formerly igroup5 limited)

Directors' Report (continued) **Year ended 31 December 2003**

Directors' Interests

None of the directors holds any interest in the issued share capital of the Company.

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 is exempt from the obligation to disclose directors' share interests and options in group undertakings.

Elective Resolutions

In accordance with Section 379A of the Companies Act 1985, the Company has elected to dispense with the following obligations with effect from 28 November 2001:

- to lay accounts and reports before general meetings
- to hold annual general meetings
- to appoint auditors annually

Statement of Directors' Responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company 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;
- 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



I G Story
Director

June 30, 2004

**Independent Auditors' report
Year Ended 31 December 2003**

**Report of the independent auditors, KPMG Audit Plc,
to the members of GE Money Home Lending Limited (formerly igroup
5 Limited)**

We have audited the financial statements on pages 5 to 12.

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 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 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 director's remuneration and transactions with the company is not disclosed.

Basis of 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 affairs of the company 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

June 30, 2004

1 The Embankment
Neville Street
Leeds
LS1 4DW

GE Money Home Lending Limited (formerly igroup5 limited)

Profit and Loss Account Year ended 31 December 2003

		2003	2002
	Note	£'000	£'000
Interest receivable	1	4,411	7,815
Interest payable	2	(2,732)	(4,287)
Net interest income		1,679	3,528
Other Operating Income		19	-
Fees and commission payable		(804)	(2,432)
Operating expenses		826	40
Profit on ordinary activities before taxation	3	1,720	1,136
Tax on profit on ordinary activities	5	(983)	419
Profit on ordinary activities after taxation		737	1,555
Retained profit for the financial year	11	737	1,555

All income and expenditure derives from continuing operations.

There are no recognised gains and losses other than the profit for the financial year. Accordingly, no statement of total recognised gains and losses is given.

GE Money Home Lending Limited (formerly igroup5 limited)

Balance Sheet

As at 31 December 2003

		2003	2002
	Note	£'000	£'000
Current assets			
Mortgage loans – Due within 1 year	6	810	1,526
Due in more than 1 year	6	30,224	56,943
Debtors	7	10,513	5,389
		41,547	63,858
 Creditors: amounts falling due within one year	 8	 (35,425)	 (58,473)
 Net assets		 6,122	 5,385
 Capital and reserves			
Called up share capital	10	5,000	5,000
Profit and loss account	11	1,122	385
Equity shareholders' funds	11	6,122	5,385

These financial statements were approved by the Board of Directors on *JUNE 30,* 2004.

Signed on behalf of the Board of Directors



I G Story
Director

GE Money Home Lending Limited (formerly igroup5 limited)

Notes to the Accounts

Year ended 31 December 2003

1. Accounting Policies

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Taxation

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 these assets to be recoverable.

Related Party Transactions

General Electric Company, a company incorporated in the United States of America, is the ultimate controlling party of the Company. Therefore the Company has taken advantage of the exemption within FRS 8 which permits the non-disclosure of transactions and balances with related parties which are included in the consolidated financial statements of General Electric Company.

Cash Flow

Under FRS 1 (Revised 1996) the Company is exempt from the requirement to prepare a cash flow statement, 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.

Interest Receivable

Interest receivable relates to the Company's principal activity and arises wholly in the United Kingdom.

Interest receivable is recognised on an accruals basis and comprises mortgage interest income receivable from the Company's lending activities.

Mortgage Loans

Mortgage loans are stated at cost less provisions. Provisions are made against mortgage loan receivables when, in the opinion of the directors, credit risks or economic factors make recovery doubtful. The aggregate provisions that are made during the period are charged against the operating profit. If the collection of interest is considered to be doubtful, it is suspended and excluded from interest income in the profit and loss account.

Pre-completion Costs

Pre-completion costs comprise brokerage commissions, valuation fees and other related expenses from the origination of mortgage loans. These costs are deferred and included within debtors and charged in the profit and loss account in line with the income generated from these mortgage loans.

GE Money Home Lending Limited (formerly igroup5 limited)

Notes to the Accounts Year ended 31 December 2003

2. Interest payable

	2003	2002
	£'000	£'000
On amounts owed to GE group undertakings	2,732	4,287

3. Profit on ordinary activities before taxation

	2003	2002
	£'000	£'000

Profit on ordinary activities before taxation is stated after charging/(crediting):

Provision credited to the profit and loss account for mortgage losses	(847)	(58)
Auditor remuneration – audit services	-	-

Auditor remuneration in the current and prior year was borne by igroup limited on the Company's behalf.

4. Information regarding directors and employees

The Company paid for no directors' remuneration (2002: Nil). None of the directors has any pension benefits provided by the Company (2002: Nil).

There are no direct employees of the Company. Employees are remunerated by igroup limited, a fellow group Company, under their contracts of employment with that company. There has been no recharge of cost during the year (2002: Nil). Full disclosure regarding directors and employees can be found in the financial statements of igroup limited.

GE Money Home Lending Limited (formerly igroup5 limited)

Notes to the Accounts

Year ended 31 December 2003

5. Tax on profit on ordinary activities

	2003	2002
	£'000	£'000
a) Analysis of the charge in the year at 30% (2002 - 30%)		
Current Tax at 30% (2002 - 30%)	516	293
Adjustment in Tax in prior years in respect of group relief	(541)	248
Total Current Tax	(25)	541
Deferred Tax		
Origination and reversal of timing differences	-	48
Adjustment in respect of prior years	1,008	(1,008)
Total Deferred Tax	1,008	(960)
Tax on Profit on Ordinary Activities	983	(419)
b) Factors affecting the current tax charge in the year		
Profit on ordinary activities before tax	1,720	1,136
Tax on profit on ordinary activities at UK standard rate of 30% (2002 - 30%)	516	341
Effects of:		
Other Timing Differences	-	(48)
Prior period adjustment	-	-
Group relief not paid for	(541)	248
Current tax charge for the year	(25)	541

GE Money Home Lending Limited (formerly igroup5 limited)

Notes to the Accounts

Year ended 31 December 2003

6. Mortgage loans

	£'000
Cost	
As at 1 January 2003	59,539
Repayments and redemptions	(28,292)
As at 31 December 2003	31,247
Provision	
As at 1 January 2003	(1,070)
Amount utilised	10
Release of provision	847
As at 31 December 2003	(213)
Net book value	
As at 31 December 2003	31,034
As at 31 December 2002	58,469

	2003	2002
	£'000	£'000
Mortgage Loans falling due within 1 year	810	1,526
Mortgage Loans falling due in more than 1 year	30,224	56,943
	31,034	58,469

7. Debtors

	2003	2002
	£'000	£'000
Amounts falling due within one year:		
Amounts owed by group undertakings	9,685	3,011
Deferred pre-completion costs	384	548
Deferred tax asset (note 9)	-	1,008
	10,069	4,567
Amounts falling due after more than one year:		
Deferred pre-completion costs	444	822
	10,513	5,389

GE Money Home Lending Limited (formerly igroup5 limited)

Notes to the Accounts Year ended 31 December 2003

8. Creditors: amounts falling due within one year

	2003	2002
	£'000	£'000
Corporation Tax	516	541
Amounts owed to group undertakings	34,909	57,932
	35,425	58,473

9. Deferred Tax

	2003	2002
	£'000	£'000
Deferred Tax Asset		
At 1 January	(1,008)	(48)
Transfer to profit and loss account	1,008	(960)
At 31 December	-	(1,008)

The deferred tax asset is made up as follows:

	2003	2002
	£'000	£'000
Short term timing differences	-	(1,008)
	-	(1,008)

10. Called up share capital

	2003	2002
	£'000	£'000
Authorised		
5,000,000 ordinary shares of £1 each	5,000	5,000
Allotted, issued and fully paid		
5,000,000 ordinary shares of £1 each	5,000	5,000

11. Combined statement of movements in shareholders' funds and statement of movements on reserves

	Share capital	Profit and loss account	Total	Total
	2003	2003	2003	2002
	£'000	£'000	£'000	£'000
At 1 January	5,000	385	5,385	3,830
Retained profit for the year	-	737	737	1,555
At 31 December	5,000	1,122	6,122	5,385

GE Money Home Lending Limited (formerly igroup5 limited)

Notes to the Accounts

Year ended 31 December 2003

12. Capital and financial commitments

The Company had no capital or financial commitments at 31 December 2003 or 31 December 2002.

13. Post balance sheet events

On 29 January 2004, the Company transferred the trade and assets to igroup loans limited and igroup mortgages limited, both fellow subsidiaries, in return for cash consideration of £35,231,000, being book value of the assets transferred at point of sale.

On 28 June 2004 the directors approved as part of an internal restructure that ownership of the Company will be transferred to igroup mortgages limited in a share-for-share exchange. Igroup mortgages limited will then be sold by its immediate parent company, igroup holdings limited, and transferred to First National Home Finance Limited, a related party, at market value.

14. Ultimate parent company and parent undertaking of larger group

The largest group in which the results of the company are consolidated is that headed by the ultimate parent company, General Electric 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 from 3135 Easton Turnpike, Fairfield, Connecticut 6431, USA.

The smallest group in which the results of the company are consolidated is that of GE Capital Bank Limited, incorporated in Great Britain. The consolidated financial statements of GE Capital Bank Limited are available to the public and may be obtained from 6 Agar Street, London, WC2N 4HR.