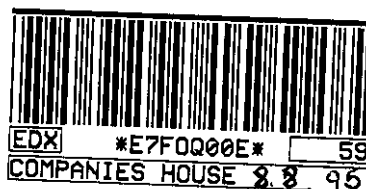


Touche Ross



Deloitte Touche
Tohmatsu
International



**Touche
Ross**

Deloitte Touche
Tohmatsu
International



Company Registration No. 188137

GEC ALSTHOM ESL INTERNATIONAL LIMITED

Report and Financial Statements

31 March 1995

**REPORT AND FINANCIAL STATEMENTS 1995**

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REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

D R Edwards
G L Thomson
J D Carter

REGISTERED OFFICE

Cambridge Road
Whetstone
Leicestershire
LE8 6LH

AUDITORS

Touche Ross & Co.
Chartered Accountants
St Johns House
East Street
Leicester
LE1 6NG

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 1995.

ACTIVITIES

During the year the Company has been awarded contracts for equipment and services from overseas customers.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

D R Edwards

G L Thomson

J D Carter

According to the register kept by the Company in accordance with Section 325 of the Companies Act 1985 no director of the Company had any disclosable interests in the shares or debentures of the Company or its ultimate parent Company.

EMPLOYEE INVOLVEMENT

The Company has no employees.

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 as at the end of the financial year 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;
- 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 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.

AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

G Wesley
Secretary

18 July 1995



Chartered Accountants

Touche Ross & Co.
St. John's House
East Street
Leicester LE1 6NG

Telephone: National 0116 256 2200
International + 44 116 256 2200
Telecopier (Gp. 3): 0116 255 2055

GEC ALSTHOM ESL INTERNATIONAL LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 7 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 the Company's affairs as at 31 March 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

TOUCHE ROSS & CO.

Chartered Accountants and
Registered Auditors

18 July 1995


PROFIT AND LOSS ACCOUNT
Year Ended 31 March 1995

	Note	1995 £	1994 £
TURNOVER	1	434,775	-
COST OF SALES		434,775	-
GROSS PROFIT		-	-
Administrative expenses		-	-
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
TAX ON PROFIT ON ORDINARY ACTIVITIES	2	(1,002)	-
LOSS FOR THE FINANCIAL YEAR		(1,002)	-
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		50,960	50,960
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		49,958	50,960

Both turnover and operating profit relate to continuing activities.

There are no recognised gains or losses or movements in shareholders' funds shown in this or the preceding year except for those shown in the profit and loss account above.



BALANCE SHEET

31 March 1995

	Note	1995 £	1994 £
CURRENT ASSETS			
Debtors	3	1,276,740	1,130,440
Cash at bank		1,406,875	-
		<u>2,683,615</u>	<u>1,130,440</u>
CREDITORS: amounts falling due within one year	4	<u>(2,004,152)</u>	<u>(460,100)</u>
NET CURRENT ASSETS		679,463	670,340
PROVISIONS FOR LIABILITIES AND CHARGES	5	<u>(10,125)</u>	<u>-</u>
NET ASSETS		<u>669,338</u>	<u>670,340</u>
CAPITAL AND RESERVES			
Called up share capital	6	619,380	619,380
Profit and loss account		49,958	50,960
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>669,338</u>	<u>670,340</u>

These financial statements were approved by the Board of Directors on 18 July 1995.

Signed on behalf of the Board of Directors

G Thomson

Director



NOTES TO THE ACCOUNTS
Year ended 31 March 1995

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover represents amounts invoiced by the Company, net of Value Added Tax.

2. TAXATION

Taxation on profit on ordinary activities is that which has become or becomes payable in respect of the profit for the year.

	1995 £	1994 £
United Kingdom corporation tax at 33% (1994 33%) based on the profit for the year	(1,002)	-

3. DEBTORS DUE WITHIN ONE YEAR

	1995 £	1994 £
Trade	146,300	-
Amount owed by parent Company	1,130,440	1,130,440
	<u>1,276,740</u>	<u>1,130,440</u>

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Corporation tax payable	461,102	460,100
Payments on account	1,118,400	-
Amounts owed to fellow subsidiary	424,650	-
	<u>2,004,152</u>	<u>460,100</u>

5. PROVISIONS FOR LIABILITIES AND CHARGES

	£
At 1 April 1994	-
Raised during the year	10,125
Utilised during the year	-
At 31 March 1995	<u>10,125</u>



NOTES TO THE ACCOUNTS
Year ended 31 March 1995

6. CALLED UP SHARE CAPITAL

	1995	1994
	£	£
Authorised		
2,477,520 ordinary shares of 25p each	619,380	619,380
522,480 unclassified shares of 25p each	130,620	130,620
	<u>750,000</u>	<u>750,000</u>
Called up, allotted and fully paid		
2,477,520 ordinary shares of 25p each	<u>619,380</u>	<u>619,380</u>

7. ULTIMATE PARENT COMPANY

The ultimate parent Company is GEC ALSTHOM NV a Company incorporated in the Netherlands.

The largest group in which the results of the Company are consolidated is that headed by GEC ALSTHOM NV. The smallest group in which the results of the Company are consolidated is that headed by GEC ALSTHOM Limited, a Company registered in England & Wales.