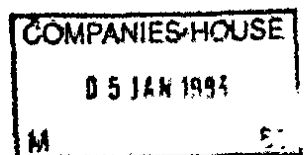


COMPANY NUMBER : 402792

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1992



GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and the audited Financial Statements for the year ended 31 March 1992.

Principal activities and business review

The principal activity of the Company during the year has been to provide, under subcontracts, telecommunications supplies and technical services in Asia including the Middle East.

Results and Dividends

The profit and loss account for the year shows a loss on ordinary activities after taxation of £55,000.

No dividend is recommended.

Directors

The Directors holding office during the year are listed below:

Mr P R Brown	(appointed 10 January 1992)
Mr P O Gershon	(appointed 10 January 1992)
Mr C B Hilton	(resigned 31 May 1991)
Mr M W J Parton	(appointed 2 April 1991)
Mr R K Robertson	(resigned 5 December 1991)
Mr P J Sherliker	(resigned 10 January 1992)

Directors' interests

According to the Company's Register of Directors' Interests, no director of the Company, nor any member of his family, as defined by the Companies Act 1985, had any interest in the shares of the Company.

No Director who was not also a Director of the Company's parent or holding companies held, on 31 March 1992, any interest in, or was granted or exercised, during the year, any right to subscribe for shares in or debentures of The General Electric Company, p.l.c. ("GEC") or its subsidiary companies, except as shown below:

	<u>At 31 March 1992</u>		<u>At 1 April 1991 or date of</u>	
	(beneficial)		<u>appointment</u>	
			(beneficial)	
	GEC Ordinary 5p shares	GEC Managers' 1984 Share Option Scheme	GEC Ordinary 5p shares	GEC Managers' 1984 Share Option Scheme
P R Brown	12,335	8,000	12,335	8,000

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

REPORT OF THE DIRECTORS (continued)

Auditor

A resolution to re-appoint the auditor Coopers & Lybrand, will be proposed at the Annual General Meeting. Until 1 June 1992 the firm practised in the name of Coopers & Lybrand Deloitte.

By order of the Board



G G Daniel
SECRETARY

4 November 1992

AUDITOR'S REPORT TO THE MEMBERS OF

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

We have audited the Financial Statements on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of affairs of the Company at 31 March 1992 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

COOPERS & LYBRAND
Chartered Accountants & Registered Auditor
Birmingham

27th November 1992

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1992

	Note	1992 £000	1991 £000
TURNOVER	1	239	204
Change in stocks of finished goods and work in progress		-	288
Direct materials		-	(321)
Staff costs	2	(208)	(165)
Depreciation		-	(96)
Auditor's remuneration		(1)	(1)
Other external and operating charges		<u>(26)</u>	<u>115</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4	24
Taxation on profit on ordinary activities	3	<u>(59)</u>	<u>(11)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(55)	13
Dividends		-	<u>(13)</u>
DEFICIT FOR THE YEAR	10	<u>(55)</u>	<u>-</u>

Movements in reserves are shown in note 10 on page 10.

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

BALANCE SHEET AS AT 31 MARCH 1992

	Note	1992 £000	1991 £000
FIXED ASSETS			
Tangible assets	4	<u>—</u>	<u>151</u>
CURRENT ASSETS			
Stocks - finished goods		288	288
Debtors	5	278	520
Cash at bank and in hand		<u>20</u>	<u>17</u>
		586	825
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	6	<u>(489)</u>	<u>(673)</u>
NET CURRENT ASSETS		97	152
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>97</u>	<u>303</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Other provisions	8	<u>—</u>	<u>(151)</u>
NET ASSETS		<u>97</u>	<u>152</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	<u>(3)</u>	<u>52</u>
		<u>97</u>	<u>152</u>

The Financial Statements were approved by the board of directors on 4 November 1992 and were signed on its behalf by:



M W J Parton
DIRECTOR

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

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 under the historical cost convention.

(b) TURNOVER

Turnover comprises the sales value, excluding value added tax, of goods and services supplied to outside customers and, in the case of long term contracts, the value of work done appropriate to the stage of completion of those contracts.

(c) FIXED ASSETS

Tangible fixed assets are stated at cost. Depreciation is provided on a straight line basis over the estimated useful lives as follows:-

Plant and equipment - over periods ranging from 2 to 10 years.

(d) STOCKS AND CONTRACTS IN PROGRESS

Stocks of materials and finished goods are valued at the lower of cost, inclusive of appropriate overheads, and estimated net realisable value.

Work in progress valuations are based on the cost of material, labour and appropriate overheads and do not exceed net realisable value. Provisions are made for any losses incurred or expected to be incurred on incomplete contracts.

Profits on long term contracts are taken only when the outcome of the contract can be assessed with reasonable certainty; this usually occurs when contracts are completed or part deliveries are made to customers under contract terms.

Progress payments received and receivable on contracts at 31 March 1992 are deducted in arriving at the net value of contract work in progress. Progress payments in excess of costs and customers' advances on contracts are included in current liabilities as advance payments from customers.

(e) DEFERRED TAXATION

Deferred taxation is provided on the liability method for all timing differences which are expected to reverse in the foreseeable future.

Deferred taxation assets arising are written off unless they are considered to be recoverable without replacement within the foreseeable future; in which case they are carried forward in debtors.

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

PRINCIPAL ACCOUNTING POLICIES (continued)

(f) FOREIGN CURRENCY

Assets and liabilities denominated in foreign currency are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising are taken to the profit and loss account.

(g) PENSION

Eligible employees are members of The General Electric Company, p.l.c. pension scheme. Based on recommendations by independent actuaries, the rate of employee and company contributions are intended, in respect of each year, to provide sufficient funds to meet future benefits relating to that year's service. Contributions, the Company's share of which are charged against profits for the year, are held in trustee-administered funds independent of the Company's finances.

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

	1992 £000	1991 £000
1. ANALYSIS OF TURNOVER BY MAIN MARKETS		
United Kingdom	235	103
Asia	<u>4</u>	<u>101</u>
	<u>239</u>	<u>204</u>
2. DIRECTORS AND EMPLOYEES		
Employees		
The average weekly number of persons employed by the Company was:	Number	Number
Overseas	<u>8</u>	<u>8</u>
Staff costs for the above persons were:	£000	£000
Wages and salaries	193	152
Social security costs	<u>15</u>	<u>13</u>
	<u>208</u>	<u>165</u>
Directors		
There was no remuneration paid to the directors.		
3. TAXATION ON PROFIT ON ORDINARY ACTIVITIES	£000	£000
United Kingdom		
Corporation tax at 33% (1991 34%)	-	71
Deferred taxation	17	(61)
Under / (over) provision of previous year		
Corporation tax	(2)	1
Deferred tax	<u>44</u>	<u>-</u>
	<u>59</u>	<u>11</u>

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. TANGIBLE FIXED ASSETS

Fixtures,
fittings,
tools and
equipment
£000

COST

At 1 April 1991

269

Application of provision

(269)

At 31 March 1992

—

DEPRECIATION

At 1 April 1991

118

Application of provision

(118)

At 31 March 1992

—

NET BOOK VALUES

At 31 March 1992

—

At 31 March 1991

151

1992 1991
£000 £000

5. DEBTORS

Amounts falling due within one year

Amounts owed by group undertakings

28 115

Amounts owed by associated undertakings

7 104

Deferred taxation

— 61

Prepayments and accrued income

243 240

278 520

6. CREDITORS

£000 £000

Amounts falling due within one year

Advance payments from customers

340 344

Amounts owed to group undertakings

149 —

Proposed dividends

— 13

Corporation tax

— 74

Accruals and deferred income

— 242

489 673

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. DEFERRED TAXATION

Deferred taxation recorded in the Financial Statements and the total potential asset, are as follows:

	1992 £000	1991 £000
Tax effect of timing differences due to:		
Excess of depreciation over tax allowances	-	11
Other	-	50
	<u>-</u>	<u>61</u>

The movements on the deferred taxation account are as follows:

	£000
At 1 April 1991	61
Charge to profit & loss account	<u>(61)</u>
At 31 March 1992	<u>-</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	Other £000
At 1 April 1991	151
Utilisation of opening provisions	<u>(151)</u>
At 31 March 1992	<u>-</u>

9. SHARE CAPITAL

	1992 £000	1991 £000
Authorised, allotted, called-up and fully paid		
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10. PROFIT AND LOSS ACCOUNT

	£000
At 1 April 1991	52
Deficit for the year	<u>(55)</u>
At 31 March 1992	<u>(3)</u>

GEC TELECOMMUNICATIONS (OVERSEAS SERVICES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. PENSIONS

The company is a subsidiary of The General Electric Company, p.l.c. (GEC) and all employees (1991 87%) who are members of a pension plan are members of 'The GEC Plan', the principal pension plan of the GEC Group. This plan is funded and is of the 'defined benefit' type; particulars of its most recent actuarial valuation are disclosed in the report and accounts of GEC for the year to 31 March 1992.

The pensions cost charge of the Company in respect of employees who are members of The GEC Plan consists of employer's contributions payable which are similar across the Group as a whole as a percentage of pensionable earnings. Based on advice from a qualified actuary, there was no company contribution to The GEC Plan in the year or in the previous year and none is expected prior to the next actuarial valuation in 1994.

12. CASH FLOW STATEMENT

A cash flow statement has not been prepared because the company is a wholly owned subsidiary of GPT Holdings Limited within whose consolidated cash flow statements the cash flows of the company are included.

13. PARENT UNDERTAKINGS

The company's ultimate parent undertaking is The General Electric Company, p.l.c. ("GEC"), which is registered in England and Wales. GEC is the parent undertaking of the largest group of undertakings of which the company is a member for which group accounts are prepared. The parent undertaking of the smallest such group of undertakings of which the company is a member is GPT Holdings Limited, which is incorporated in England.

Copies of the accounts of GEC are available from The Secretary, 1 Stanhope Gate, London W1A 1EH.