

Company Number: 402792

GPT Middle East Limited

Report and financial statements

31 March 1997



GPT Middle East Limited

Report of the Directors

The Directors present their Report and the audited Financial Statements for the year ended 31 March 1997.

Principal activities and business review

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

Results and Dividends

The profit for the year on ordinary activities before taxation was £44,000. The taxation charge for the year amounted to £14,000 and the profit for the financial year was £30,000.

No dividend is proposed.

Directors

The Directors holding office during the year are listed below:

Mr S A Berg	(Appointed 7 April 1997)
Mr A R Cobbe	
Mr S Hare	(Resigned 7 April 1997)
Mr M W J Parton	(Resigned 7 April 1997)

Directors' interests

None of the Directors had any beneficial interest, other than in the ordinary course of business, in any contract to which the Company was a party during the year.

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 holding company held, on 31 March 1997, 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:

GPT Middle East Limited

Report of the Directors (*continued*)

Directors' interests (*continued*)

GEC Managers' 1984 Share Option Scheme				
	<u>31 March 1997</u>	<u>Granted</u>	<u>Exercised</u>	<u>1 April 1996</u>
M W J Parton	72,000	-	-	72,000
S Hare	40,000	-	-	40,000

The GEC Employee 1992 Savings - Related Share Option Scheme				
	<u>31 March 1997</u>	<u>Granted</u>	<u>Exercised</u>	<u>1 April 1996</u>
M W J Parton	6,872	-	-	6,872
S Hare	6,649	1,098	-	5,551

Ordinary shares (beneficial)		
	<u>31 March 1997</u>	<u>1 April 1996</u>
S Hare	-	5,000
M W J Parton	21,595	31,045

The options are exercisable normally in the years 1997 to 2004 at subscription prices between 219p - 328p per share.

Charitable and political donations

There were no charitable or political donations made during the year.

Payment of creditors

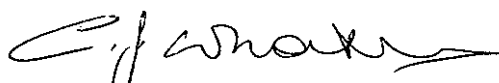
The Companies Act 1985, as amended, requires the Company to make a statement of its policy and practice on the payment of creditors.

The Company's policy is to negotiate with suppliers so as to obtain the best available terms taking account of quality, price and period of settlement and, having agreed those terms, to abide by them.

Auditors

A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

By order of the Board.


C J Whorton
Secretary

17 December 1997

GPT Middle East Limited

Auditors' report to the members of GPT Middle East Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

The Directors are required by the Companies Act 1985 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 the financial year and to state whether the accounts have been prepared in accordance with applicable accounting standards.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors 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.

It is our responsibility as auditors to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you.

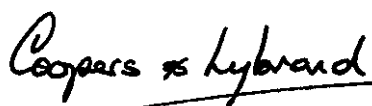
Basis of opinion

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 affairs of the Company as at 31 March 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers and Lybrand

Chartered Accountants and Registered Auditors
Birmingham

18 December 1997

GPT Middle East Limited

Profit and loss account

For the year ended 31 March 1997

	<i>Note</i>	1997 £000	1996 £000
Other operating income		45	331
Change in stocks of finished goods		-	(289)
Auditors' remuneration		<u>(1)</u>	<u>(1)</u>
Profit/(loss) on ordinary activities before taxation	<i>1</i>	44	41
Taxation on profit/(loss) on ordinary activities	<i>2</i>	<u>(14)</u>	<u>(14)</u>
Retained profit for the financial year	<i>7</i>	<u>30</u>	<u>27</u>

Movements in reserves are shown in note 7.

The profit and loss account relates solely to continuing operations.

The Company had no recognised gains and losses apart from the profit for the financial year.

Reconciliation of movements in equity shareholders' funds

	1997 £000	1996 £000
At 1 April	142	115
Profit for the financial year	<u>30</u>	<u>27</u>
At 31 March	<u>172</u>	<u>142</u>

GPT Middle East Limited



Balance sheet

As at 31 March 1997

	Note	1997 £000	1996 £000
Current assets			
Debtors	3	243	245
Cash at bank and in hand		<u>20</u>	<u>20</u>
		263	265
Creditors: amounts falling due within one year	4	<u>(91)</u>	<u>(123)</u>
Net assets		<u>172</u>	<u>142</u>
 Capital and reserves			
Called up share capital	6	100	100
Profit and loss account	7	<u>72</u>	<u>42</u>
Equity shareholders' funds		<u>172</u>	<u>142</u>

The Financial Statements were approved by the Directors on *17 December* 1997 and were signed on their behalf by:

S A Berg
Director

GPT Middle East 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.

(c) 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 which are considered to be recoverable within the foreseeable future are included in debtors.

(d) Foreign currency

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

GPT Middle East Limited

Notes to the financial statements

1. Directors and employees

Other than Directors the Company has no employees and the Directors received no emoluments for their services to the Company (1996: £nil).

2. Taxation on profit on ordinary activities	1997 £000	1996 £000
United Kingdom taxation:		
Corporation tax at 33%	11	9
Deferred taxation at 33%	3	5
	<u>14</u>	<u>14</u>

3. Debtors	1997 £000	1996 £000
<i>Amounts falling due within one year</i>		
Amounts owed by fellow subsidiary undertakings	232	231
	<u>232</u>	<u>231</u>
<i>Amounts falling due after more than one year</i>		
Deferred taxation (see note 5 below)	11	14
	<u>243</u>	<u>245</u>

4. Creditors: amounts falling due within one year	1997 £000	1996 £000
Advance payments from customers	70	113
Amounts owed to fellow subsidiary undertakings	10	1
Corporation tax	11	9
	<u>91</u>	<u>123</u>

5. Deferred taxation asset

Deferred taxation recorded in the financial statements, which is the total potential asset, is as follows:

	1997 £000	1996 £000
Tax effect of timing differences due to:		
Excess of depreciation over tax allowances	11	14

GPT Middle East Limited

Notes to the financial statements *(continued)*

5. **Deferred taxation asset** *(continued)*

The movement on the deferred taxation account is as follows:

	£000
At 1 April 1996	14
Charge to profit and loss account	<u>(3)</u>
At 31 March 1997 (see note 3)	<u>11</u>

6. Share capital	1997 £000	1996 £000
<i>Authorised, allotted, called-up and fully paid</i>		
100,000 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

7. Profit and loss account	£000
At 1 April 1996	42
Retained profit for the year	<u>30</u>
At 31 March 1997	<u>72</u>

8. **Contingent liabilities**

The Company has entered into a guarantee, together with certain group undertakings, in respect of the overdrafts of other group undertakings. This is limited to the Company's bank balance at any one time.

9. **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 statement the cash flows of the Company are included.

GPT Middle East Limited

Notes to the financial statements *(continued)*

10. **Related Party disclosures**

The Company is a wholly owned subsidiary of GPT Holdings Limited. Advantage has been taken of the exemption permitted by FRS 8 not to disclose transactions with entities that are part of the GPT Holdings Limited group or investees of the group qualifying as related parties. Balances with these entities are disclosed in notes 3 and 4 of these financial statements. The Company had no other related party transactions.

11. **Parent undertakings**

The Company's ultimate parent company is The General Electric Company, p.l.c. ("GEC"). GEC is the parent undertaking of the largest group of undertakings of which the Company is a member, for which consolidated financial statements are prepared. The parent company of the smallest group of undertakings for which consolidated financial statements are prepared is GPT Holdings Limited.

Copies of the accounts of GEC are available from The Secretary, 1 Stanhope Gate, London W1A 1EH. Copies of the accounts of GPT Holdings Limited are available from The Secretary, New Century Park, PO Box 53, Coventry, CV3 1HJ.