

ARTHUR  
ANDERSEN

ARTHUR ANDERSEN & CO. SC

565542

## General Dynamics Limited

Financial Statements 31 December 1993  
together with directors' and auditors' reports

Registered number: 565542.



## Directors' report

For the year ended 31 December 1993

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 1993.

### Principal activity

The company served as a liaison and representative office for General Dynamics Corporation in the United Kingdom. In 1991 the company ceased to maintain an office in the United Kingdom and stopped operations. In the year to 31 December 1992, the company was wound down completely and all outstanding expenses paid.

### Results and dividends

Results are as follows:

	£
Retained profit at 1 January 1993	36,327
Result for the financial year	-
Retained profit at 31 December 1993	<u>36,327</u>

The directors do not recommend the payment of a dividend.

### Directors and their interests

The directors who served during the year are shown below:

M.C. Wasielewski (USA)	(resigned 15 February 1993)
R.H. Duesenberg (USA)	(resigned 25 January 1993)
J.R. Mellor (USA)	(resigned 25 January 1993)
E.A. Klobasa (USA)	
R.A. Johnsen	(appointed 25 January 1993, resigned 29 June 1993)
H.J. Sechler	(appointed 17 May 1993)
E.C. Bruntrager	(appointed 24 June 1993)

### Corporate governance

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 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, subject to any material departures disclosed and explained in the financial statements; and

## Directors' report (continued)

### Corporate governance (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

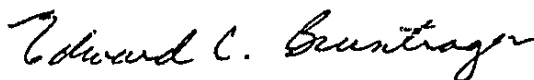
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditors

The directors are of the opinion that as the company satisfies the conditions laid down in Section 252 of the Companies Act 1985 in that it is entitled to the benefits of the exemptions for individual accounts applicable in the case of a small company and it has been dormant for the whole of the financial year, the provisions of Section 384(1) of the Companies Act 1985 shall not apply to the company and accordingly, no auditors shall be appointed in the ensuing year.

35 Basinghall Street  
London  
EC2V 5DB

By order of the Board,



Director

3 August 1994

## Auditors' report

London

Auditors' report to the members of General Dynamics Limited:

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

### Respective responsibilities of directors and auditors

As described on pages 1 and 2, the company's directors are responsible for the preparation of the financial statements and 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 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 1993 and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen  
Chartered Accountants and Registered Auditors

1 Surrey Street  
London  
WC2R 2PS

3 August 1994

## Profit and loss account

For the year ended 31 December 1993

	Notes	1993 £	1992 £
Turnover	1e	-	-
Operating expenses	2 & 3	-	(590)
Result on ordinary activities before taxation	3	-	(590)
Tax on profit on ordinary activities	1c & 5	-	-
Result for the financial year		-	(590)
Retained profit, at 1 January 1993		36,327	36,917
Retained profit, at 31 December 1993		36,327	36,327

The accompanying notes are an integral part of this profit and loss account.

## Statement of total recognised gains and losses

For the year ended 31 December 1993

There are no recognised gains and losses other than the result on ordinary activities after taxation of £(590) in the year ended 31 December 1992.

## Balance sheet

31 December 1993

	Notes	1993 £	1992 £
Current assets			
Debtors	6	36,427	36,427
Net assets		<u>36,427</u>	<u>36,427</u>
Capital and reserves			
Called-up share capital	7	100	100
Profit and loss account		<u>36,327</u>	<u>36,327</u>
Total capital employed	8	<u>36,427</u>	<u>36,427</u>

Signed on behalf of the Board

Director

*Edward C. Bruntrager*

3 August 1994

The accompanying notes are an integral part of this balance sheet.

## Notes to financial statements

31 December 1993

### 1 Accounting policies

The principal accounting policies are:

#### a) *Basis of accounting*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### b) *Cash flow statement*

In accordance with the provisions of Financial Reporting Standard No. 1 (FRS 1), a cash flow statement has not been prepared as the company qualifies as a small company.

#### c) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

#### d) *Foreign currency*

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### e) *Turnover*

Turnover represents the invoiced amount of services provided to the parent company in the year.

### 2 Principal activity and basis of operations

The principal activity of the company was to serve as a liaison and representative office for General Dynamics Corporation in the United Kingdom. During 1991 the company ceased to maintain an office in the United Kingdom and stopped operations. All operating costs incurred by the company prior to cessation of its principal activity, were recharged to the parent company, or other group undertaking as appropriate, at a mark-up of 5%.

Operating expenses represent administrative and other expenses incurred in respect of marketing and business development for General Dynamics Corporation. The costs in 1992 represent residual administrative costs which have not been recharged to General Dynamic Corporation in the year.

The General Dynamics Corporation has indicated that it will bear the cost of any further residual administrative matters (including audit costs) relating to the winding down of the company. As a result, there are no operating expenses in the company's financial statements in 1993.

## Notes to financial statements (continued)

### 3 Result on ordinary activities before taxation

The 1993 and 1992 audit fees have been borne by General Dynamics Corporation, the parent company.

### 4 Staff costs

There were no employees in 1993 (1992: none). The directors did not receive any remuneration.

### 5 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and comprises:

	1993 £	1992 £
Corporation tax at 33% (1992 - 33%)	-	-

There are no significant amounts of unprovided deferred tax.

### 6 Debtors

The following are included in the net book value of debtors:

	1993 £	1992 £
Amounts falling due after more than one year:		
Amounts due from other group undertakings	36,427	36,427



## Notes to financial statements (continued)

### 7 Called-up share capital

	1993 £	1992 £
<i>Authorised</i>		
10,000 ordinary shares of £1 each	10,000	10,000
<i>Allotted, called-up and fully-paid</i>		
100 ordinary shares of £1 each	100	100

### 8 Reconciliation of movement in shareholders' funds

	1993 £	1992 £
Net addition to shareholders' funds	-	(590)
Opening shareholders' funds	36,427	37,017
Closing shareholders' funds	36,427	36,427

### 9 Lease commitments

The company has no lease commitments outstanding at the end of the year (1992 - £nil).

### 10 Ultimate parent company

The company is a subsidiary undertaking of General Dynamics Corporation, incorporated in the U.S.A. The largest group in which the results of General Dynamics Limited is consolidated is that headed by General Dynamics Corporation whose principal place of business is at 3190 Fairview Park Drive, Falls Church, VA 22042, USA.

The consolidated financial statements of this group are not available to the public.