

Registration No. 713317

GEC-MARCONI AVIONICS OVERSEAS LIMITED

REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1997



## **GEC-MARCONI AVIONICS OVERSEAS LIMITED**

### **Report of the Directors**

The Directors present their report and the accounts of the Company for the year ended the 31st March, 1997.

### **Results**

During the year the Company made neither profit nor loss. The Directors do not recommend the payment of a dividend.

### **Principal Activity and Review of the Company**

The principal activity of the Company is the supply of avionics equipment overseas. During the year the Company was wholly concerned with a contract for avionics equipment the manufacture of which was sub-contracted.

### **Directors**

The present members of the Board are Messrs. S. H. B. Lanyado and D. M. Frost. Dr. S. H. B. Lanyado was appointed to the Board of Directors on the 2nd January, 1997. Mr. D. L. Dickinson resigned from the Board on the 2nd January, 1997.

According to the Register kept by the Company in accordance with Section 325 of the Companies Act 1985 the Directors had no disclosable interests in the shares of The General Electric Company, p.l.c. or its subsidiaries other than those shown below:-

#### **IN THE GENERAL ELECTRIC COMPANY, p.l.c.**

At 1st April, 1996 (or date of appointment, if later)	Options granted during the year	Options exercised during the year	At 31st March, 1997
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#### **Ordinary Shares of 5p each, fully paid**

D. M. Frost	10,765		8,315
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#### **Options in respect of Ordinary Shares of 5p each**

- i) Under the terms of The GEC Managers' 1984 Share Option Scheme the following Options were outstanding:-

S. H. B. Lanyado	200,000	-----	-----	200,000
D. M. Frost	32,000	-----	-----	32,000

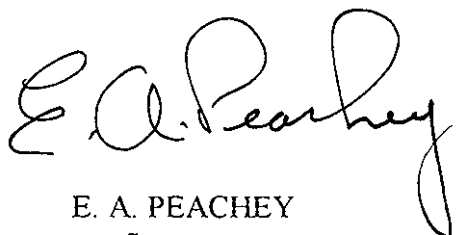
No Options were granted to or exercised by the Directors under the above Scheme during the year. Normally the Options are exercisable during the years 1997 to 2004 at subscription prices between 226p and 328p per share.

- ii) Under the terms of The GEC Employee Savings-Related Share Option Scheme and The GEC Employee 1992 Savings-Related Share Option Scheme the following Options were outstanding:-

D. M. Frost	9,697	2,197	-----	11,894
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No Options granted under the above Schemes were exercised by the named Director during the year. Normally the Options are exercisable within six months of the 1st April, 1997, 1998, 2000 and 2001 at subscription prices between 138p and 251p per share.

By Order of the Board

A handwritten signature in black ink, appearing to read 'E. A. Peachey', with a large, stylized flourish at the end.

E. A. PEACHEY  
Secretary

Registered Office:  
The Grove  
Warren Lane  
Stanmore  
Middlesex HA7 4LY

1997

## AUDITORS' REPORT

### TO THE MEMBERS OF GEC-MARCONI AVIONICS OVERSEAS LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 9.

#### 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 the Company's affairs 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.

*Deloitte Touche*

DELOITTE & TOUCHE

Chartered Accountants and  
Registered Auditors  
Hill House  
1 Little New Street  
London EC4A 3TR

Dated 26 January 1998

## GEC-MARCONI AVIONICS OVERSEAS LIMITED

## A C C O U N T S

	Note	1997 £000	1996 £000
PROFIT AND LOSS ACCOUNT for the year ended 31 March 1997			
TURNOVER	1	244	65
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PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION ATTRIBUTABLE TO THE COMPANY	1	-	-
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RESERVES			
PROFIT AND LOSS ACCOUNT At 1 April and 31 March		-	-

There were no recognised gains or losses other than those reported above. Accordingly, no statement of total recognised gains and losses or reconciliation of movement in shareholders' funds is given. The above results relate entirely to the continuing activities of the company

## A C C O U N T S

## BALANCE SHEET

31 March 1997

	Note	1997 £000	1996 £000
Current Assets			
Trade Debtors		35	10
Cash		-	12
		<hr/> 35	<hr/> 22
Current Liabilities: amounts falling due within one year			
Amounts owed to GEC Companies		(35)	(22)
		<hr/>	<hr/>
Net Assets/(Liabilities)		-	-
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital		-	-
Profit and loss account		-	-
		<hr/>	<hr/>
Equity Shareholders' Interest	2	-	-
		<hr/>	<hr/>

Approved by the Board of Directors on 22nd December 1997

Signed on behalf of the Board of Directors



D M FROST - DIRECTOR

## NOTES TO THE ACCOUNTS (continued)

1. OPERATING PROFIT AND PROFIT ON  
ORDINARY ACTIVITIES BEFORE TAXATION

	1997 £000	1996 £000
Turnover	244	65
Raw Materials and Consumables	(244)	(65)
Operating Profit and Profit on Ordinary Activities before taxation	-	-

ALL TURNOVER IS TO ASIA

## 2. SHAREHOLDERS' INTEREST

	Authorised £	Allotted called up and fully paid £
Called Up Share Capital		
2 Shares of £1 each fully paid	2	2
	1997 £000	1996 £000
Profit and Loss Account At 1 April and 31 March	-	-

## 3. DIRECTORS AND EMPLOYEES

The Company does not employ any staff and therefore there are no payroll or pension costs. All of the Directors are full-time executives of other GEC Group companies and do not receive any remuneration for their services as Directors of the Company and it is not practicable to allocate their emoluments for other services.

Work on behalf of the Company is carried out by employees of the holding company.

NOTES TO THE ACCOUNTS (continued)

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4. CONTINGENT LIABILITIES

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Under a group registration the Company is jointly and severally liable for any Value Added Tax owing by other GEC Group Companies at 31 March 1997.

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5. ULTIMATE PARENT UNDERTAKING

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The Company's ultimate parent company is The General Electric Company, p.l.c. ("GEC"). The GEC Group is the only group of which the Company is a member for which group accounts are prepared.

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

Pursuant to the exemption granted by Financial Reporting Standard 8 'Related Party Disclosures', transactions with other undertakings within, and related parties of, the GEC Group have not been disclosed in these financial statements.



## ACCOUNTING POLICIES

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The accounts have been prepared on the historical cost basis in accordance with applicable accounting standards in the United Kingdom. The Company is a wholly owned subsidiary of The General Electric Company, p.l.c. ("GEC"), consequently the Company is exempt under the terms of Financial Reporting Standard 1 from the requirement to publish its own cash flow statement.

The more important accounting policies, which have been consistently applied, are summarised below to facilitate the interpretation of the financial statements and are in addition to the policies explained in the notes to the accounts.

- a. Turnover. Turnover, excluding VAT, comprises sales to customers outside the GEC Group. The Company records transactions as sales when the delivery of products or performance of services takes place in accordance with the terms of sale.
- b. Currency translation. Non-sterling profits, losses and net assets are translated at year-end rates of exchange. Reserves are adjusted to include the difference arising on translation at the beginning of the year. Profits and losses on overseas trading are included in profit on ordinary activities before taxation.