

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

(Formerly GEC Traffic Automation International Limited)

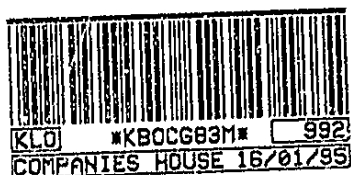
DIRECTORS REPORT

AND

ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1994

REGISTERED NUMBERED 771516



GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

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GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the audited accounts of the Company for the year ended the 31st March, 1994.

Results

The loss for the year after taxation amounted to £500. The Directors do not recommend the payment of a dividend.

Principal Activity

The principal activity of the Company is the supply and installation of microwave video distribution and urban traffic control systems.

Directors

The present members of the Board are Messrs. N. W. R. Smith and I. G. King. Messrs R. A. Gardner and N. W. R. Smith were appointed to the Board of Directors on the 28th July and the 10th November, 1993 respectively.

Messrs. L. J. Ogier and R. A. Gardner resigned from the Board on the 28th July and the 10th November, 1993 respectively.

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 or debentures 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, 1993 (or date of appointment if later)	Options granted during the year	Options exercised during the year	At 31st March, 1994

Options in respect of Ordinary Shares of 5p each

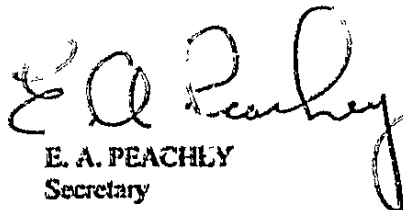
Under the terms of The GEC Managers' 1984 Share Option Scheme the following Options were outstanding:-

N. W. R. Smith	—	40,000	—	40,000
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GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

No Options granted under the above Scheme were exercised by the named Director during the year. Normally the Options are exercisable during the years 1997 to 2004 at a subscription price of 328p per share.

By Order of the Board


E. A. PEACHELY
Secretary

Registered Office:

The Grove, Warren Lane
Stanmore, Middlesex

HA7 4LY

13 DEC 1994

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

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.

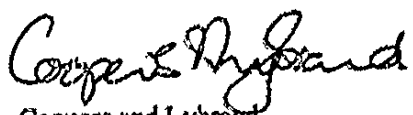
Basis of opinion

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 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Coopers and Lybrand
Chartered Accountants and Registered Auditor
London

19/10/94

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 1994	Note	1994 £000	1993 £000
Turnover	2	<u>4,273</u>	<u>331</u>
(Loss)/Profit on Ordinary Activities Before Taxation	3	(1)	14
Taxation on Profit on Ordinary Activities	4	<u>-</u>	<u>6</u>
(Loss)/Profit on Ordinary Activities After Taxation		<u>(1)</u>	<u>8</u>
Retained (Loss)/Profit for the Year	7	<u>(1)</u>	<u>8</u>

There were no recognised gains or losses other than those reported above. The above results relate entirely to the continuing activities of the company. There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

BALANCE SHEET

As at 31 March 1994

	Note	1994 £000	1993 £000
Current Assets			
Debtors	5	799	26
Cash		1	1,935
		<u>800</u>	<u>1,961</u>
Current Liabilities			
Creditors - amounts falling due within one year	6	832	1,992
Net Current Assets		<u>(32)</u>	<u>(31)</u>
Total Assets less Current Liabilities		<u>(32)</u>	<u>(31)</u>
Net Assets		<u>(32)</u>	<u>(31)</u>
Capital and Reserves			
Called up share capital	7	-	-
Profit and Loss account	7	(32)	(31)
Shareholders' Interest		<u>(32)</u>	<u>(31)</u>

Approved by the Board of Directors on 13 DEC 1994



Director

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

NOTES TO THE ACCOUNTS

1. Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards. The company is a wholly owned subsidiary of The General Electric Company, p.l.c. (GEC) and the cash flows of the company are included in the consolidated cash flow statement of GEC, consequently the company is exempt under the terms of Financial Reporting Standard 1 from the requirement to publish its own cash flow statement.

A summary of the more important accounting policies, which have been applied consistently, are set out below:

(a) Accounting convention

The financial statements are prepared under the historical cost convention.

(b) Turnover

The Company records transactions as sales only when title passes to customers or when there is a contractual right to invoice.

(c) Taxation

Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of the profits of the year.

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

NOTES TO THE ACCOUNTS continued

2 PRINCIPAL ACTIVITY AND MARKETS

The analysis of turnover by geographical area is as follows :

	1994 £000	1993 £000
Europe	8	23
Asia	4,265	308
	<u>4,273</u>	<u>331</u>

In the opinion of the directors the company has carried on business in two classes: Traffic signalling and control and Microwave video distribution.

3 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1994 £000	1993 £000
Sales to customers outside the GEC group	<u>4,273</u>	<u>331</u>
Other external and operating charges	4,273	325
Raw materials and consumables	-	(20)
Staff costs	-	11
Auditors' remuneration	<u>1</u>	<u>1</u>
	<u>4,274</u>	<u>317</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>(1)</u>	<u>14</u>

4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1994 £000	1993 £000
United Kingdom taxation	-	6
Corporation tax 33%	<u>-</u>	<u>6</u>

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

NOTES TO THE ACCOUNTS continued

5 DEBTORS

	1994 £000	1993 £000
Amounts falling due within one year		
Trade debtors	141	14
Amounts owed by parent and fellow subsidiary companies	658	-
Group relief	-	12
	<u>799</u>	<u>26</u>

6 CREDITORS

	1994 £000	1993 £000
Amounts falling due within one year		
Unsecured bank overdraft	319	-
Payments received in advance	454	1,622
Trade creditors	1	-
Amounts owed to fellow subsidiary companies	57	370
Corporation tax	1	-
	<u>832</u>	<u>1,992</u>

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

NOTES TO THE ACCOUNTS continued

7 SHAREHOLDERS' FUNDS

Share capital	Authorised 1993 & 1994 £	Allotted, called up and fully paid at 31st March	
		1994 £	1993 £
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>
Profit and Loss Account		1994 £000	1993 £000
At 1 April		(31)	(39)
Retained (loss)/profit for the year		<u>(1)</u>	<u>8</u>
At 31 March		<u>(32)</u>	<u>(31)</u>

8 DIRECTORS AND EMPLOYEES

	1994 £000	1993 £000
Staff costs	<u>-</u>	<u>11</u>
	1994 No.	1993 No.
Average number of employees	<u>-</u>	<u>-</u>

Directors Emoluments

The Directors are full time executives of other group companies. They 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.

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

NOTES TO THE ACCOUNTS continued

9 PARENT UNDERTAKINGS

The Company's ultimate parent company 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 and for which group accounts are prepared. The parent undertaking of the smallest such group of undertakings of which the Company is a member is GEC-Marconi Limited which is registered in England and Wales. Copies of the accounts of GEC are available from The Secretary, 1 Stanhope Gate, London W1A 1EH.

10 CONTINGENT LIABILITIES

Under a group registration the Company is jointly and severally liable for any Value Added Tax owing by other GEC companies at 31 March 1994.

11 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1994 £000	1993 £000
(Loss)/Profit for the year	(1)	8
Net (decrease)/increase in shareholders' funds	(1)	8
Opening shareholders' funds	(31)	(39)
Closing shareholders' funds	(32)	(31)