

# GE Capital Information Technology Solutions Holdings

Directors' report and financial statements

For the year ended 31 December 1999

Registered Number: 1696779



# GE Capital Information Technology Solutions Holdings

## Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors' report	1
Statement of directors' responsibilities	2
Auditor's report	3
Profit and loss account	4
Balance sheet	5
Notes	6-9

# GE Capital Information Technology Solutions Holdings

## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 1999.

### Results and dividends

The company did not trade during the year.

The directors do not recommend the payment of a dividend (1998: £nil). No transfer was made to reserves for the year (1998: retained loss of £ 5,909,000 transferred from reserves)

### Year 2000

The company recognised the importance of the Year 2000 issue, completed a full assessment of its impact and committed resources to its resolution. To date, the company's results and operations have not been adversely affected either by internal Year 2000 compliance failures or the inability of any third parties to manage the issue. The directors recognise the need to continue to monitor the Year 2000 issue and are confident that the steps being undertaken will continue to avoid disruption.

### Directors and directors' interests

The directors who held office during the year and after the year end were as follows:

K Jux	
H Funch	(appointed 1 March 1999)
J Golding	(resigned 1 March 1999)

Since the company meets the definition in s736 (2)(3) of the Companies Act 1985 of a wholly owed subsidiary of a body corporate incorporated outside Great Britain, the company has taken advantage of regulation 3 (1)(a) of Statutory Instrument 1985/802 exempting the company from the requirement to disclose directors' share interests and options in group companies.

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting

On behalf of the board



**K Jux**  
Director

First Floor  
Aldwych House  
71-91 Aldwych  
London  
WC2B 4HL

20 March 2000

# GE Capital Information Technology Solutions Holdings

## Statement of directors' responsibilities

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 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;
- 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 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.

Report of the auditor, KPMG,  
to the members of GE Capital Information Technology Solutions Holdings

We have audited the financial statements on pages 4 to 9.

*Respective responsibilities of directors and auditors*

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

*Basis of audit 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 as at 31 December 1999 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG**  
Chartered Accountants  
Registered Auditor

2000

St. James' Square  
Manchester  
M2 6DS

# GE Capital Information Technology Solutions Holdings

## Profit and loss account

Year ended 31 December 1999

	<i>Note</i>	<b>1999</b> <b>£000</b>	<b>1998</b> <b>£000</b>
<b>Turnover</b>	<b>2</b>	-	55,084
Cost of sales		-	(45,295)
		<hr/>	<hr/>
<b>Gross profit</b>		-	9,789
Distribution costs		-	(3,521)
Administration expenses		-	(6,923)
Other operating (charges)/income		-	(120)
		<hr/>	<hr/>
<b>Operating loss</b>	<b>3</b>	-	(775)
Amounts written off investments	<b>7</b>	-	(3,846)
Interest receivable and similar income	<b>6(a)</b>	<b>1,373</b>	20
Interest payable and similar charges	<b>6(b)</b>	<b>(1,373)</b>	(1,308)
		<hr/>	<hr/>
<b>Loss on ordinary activities before and after taxation</b>		-	(5,909)
Retained loss brought forward		<b>(19,032)</b>	(13,123)
		<hr/>	<hr/>
<b>Retained loss carried forward</b>	<b>12</b>	<b>(19,032)</b>	(19,032)
		<hr/> <hr/>	<hr/> <hr/>

All results were derived from discontinued activities.

The company had no recognised gains or losses other than those dealt with in the profit and loss account above, and therefore no separate statement of total recognised gains and losses has been presented.

The loss for the preceding financial year calculated on an unmodified historical cost basis is not materially different to the loss disclosed above. Accordingly a note of historical cost profits and losses as required by paragraph 26 of FRS3 has not been presented.

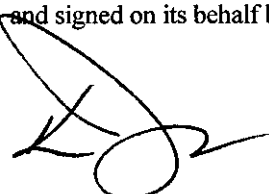
# GE Capital Information Technology Solutions Holdings

## Balance sheet

at 31 December 1999

	Note	1999 £000	1998 £000
<b>Fixed assets</b>			
Investments	7	27,018	27,018
<b>Current assets</b>			
Debtors	8	17,843	17,292
<b>Creditors: amounts falling due within one year</b>	9	(2,478)	(1,927)
<b>Net current assets</b>		<u>15,365</u>	<u>15,365</u>
<b>Total assets less current liabilities</b>		<u>42,383</u>	<u>42,383</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(14,575)</u>	<u>(14,575)</u>
<b>Net assets</b>		<u><u>27,808</u></u>	<u><u>27,808</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	15,965	15,965
Share premium account	12	30,645	30,645
Capital reserves	12	230	230
Profit and loss account	12	(19,032)	(19,032)
<b>Equity shareholders' funds</b>	12	<u><u>27,808</u></u>	<u><u>27,808</u></u>

The financial statements were approved by the board of directors on  
and signed on its behalf by:



**K Jux**  
Director

20 March 2000

# GE Capital Information Technology Solutions Holdings

## Notes

*(forming part of the financial statements)*

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *(a) Basis of accounting*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Prior year figures have been restated to show intercompany debtors and creditors gross rather than net. This has no effect on the profit and loss account.

#### *(b) Cash flow statement*

Under FRS1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement. Exemption is on the grounds that it is a wholly owned subsidiary undertaking and its cash flows appear in a consolidated cash flow statement in the ultimate parent company's financial statements which are available to the public.

#### *(c) Transactions with related parties*

The company, as a wholly owned subsidiary of General Electric Company, has taken advantage of the exemption contained in FRS8, "Related Party Disclosure", in preparing its accounts. This exemption allows the company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated accounts of General Electric Company, in which the company is included, are available to the public.

#### *(d) Requirement to prepare consolidated financial statements*

The company is a majority owned subsidiary undertaking of Ameridata UK, a company incorporated and registered in England and Wales. Under the provisions of s228 of the Companies Act 1985, the company is exempt from the requirement to prepare consolidated accounts. These financial statements present information about the company as an individual undertaking and not about its group.

### 2. Turnover

Turnover represents the invoiced value of computer services and products sold to customers, excluding value added tax. Turnover for 1998 was derived entirely from the United Kingdom.

### 3. Operating loss

Operating loss is stated after charging/(crediting):

	1999 £000	1998 £000
Auditors' remuneration - audit	-	22
Depreciation - owned tangible fixed assets	-	209
Profit on sale of tangible fixed assets	-	(6)
	<hr/>	<hr/>

Auditors' remuneration for the year ended 31 December 1999 will be borne by another group company.



# GE Capital Information Technology Solutions Holdings

## Notes

(continued)

### 4. Employee information (including directors)

The company's costs of employment were as follows:

	1999 £000	1998 £000
Wages and salaries	-	5,517
Social security costs	-	613
	<hr/>	<hr/>
	-	6,130
	<hr/>	<hr/>
The average number of employees during the year was:	-	250
	<hr/>	<hr/>

All employees were engaged in the sales, technical and administration departments.

### 5. Directors' remuneration

	1999 £000	1998 £000
Remuneration	-	105
Compensation for loss of office	-	52
	<hr/>	<hr/>
	-	157
	<hr/>	<hr/>

The total emoluments, excluding pension contributions, of the highest paid director were £nil (1998: £68,000).

There were no retirement benefits accruing to directors under defined pension schemes at 31 December 1999 (1998: £nil).

### 6. a) Interest receivable and similar income

	1999 £000	1998 £000
Amounts receivable from group undertakings	1,373	-
Bank interest receivable	-	20
	<hr/>	<hr/>
	1,373	20
	<hr/>	<hr/>

### b) Interest payable and similar charges

	1999 £000	1998 £000
Amounts payable to group undertakings	1,373	1,289
Bank loans and overdrafts	-	19
	<hr/>	<hr/>
	1,373	1,308
	<hr/>	<hr/>

# GE Capital Information Technology Solutions Holdings

## Notes

(continued)

### 7. Investments

	£000
<b>Subsidiary undertakings</b>	
<i>Cost</i>	
At beginning and end of year	30,864
<i>Provision</i>	
At beginning and end of year	(3,846)
<i>Net book value</i>	
At beginning and end of year	27,018

The company owns the following subsidiary undertakings, all of which are registered in England and Wales:-

Subsidiary undertaking	Principal activities	Proportion of share capital held by the company	Class of share
GE Capital Information Technology Solutions Limited	Computer retail	100%	Ordinary
P & P Micro Distributors Limited	Computer retail	100%	Ordinary
Systems International Corporation Limited	Dormant	100% 100%	A ordinary B ordinary

### 8. Debtors

	1999 £000	1998 £000
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	17,843	17,292

### 9. Creditors: amounts falling due within one year

	1999 £000	1998 £000
Amounts owed to group undertakings	2,478	1,927

### 10. Creditors: amounts falling due after more than one year

	1999 £000	1998 £000
Amounts owed to group undertakings	14,575	14,575

# GE Capital Information Technology Solutions Holdings

## Notes

(continued)

### 11. Called up share capital

	1999 £	1998 £
<i>Authorised:</i>		
20,000,000 ordinary shares of £1 each	20,000,000	20,000,000
<i>Allotted, called up and fully paid:</i>		
15,965,541 ordinary shares of £1 each	15,965,541	15,965,541

### 12. Reconciliation of movements in shareholders' funds

	Share capital £000	Share premium account £000	Capital reserves £000	Profit and loss account £000	Share- holders' funds 1999 £000	Share- holders' funds 1998 £000
At beginning of year	15,965	30,645	230	(19,032)	27,808	(6,346)
Shares issued	-	-	-	-	-	40,063
Retained loss for the year	-	-	-	-	-	(5,909)
<b>At end of year</b>	<b>15,965</b>	<b>30,645</b>	<b>230</b>	<b>(19,032)</b>	<b>27,808</b>	<b>27,808</b>

### 13. Parent undertakings

The company's immediate parent undertaking is Ameridata UK, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by the company's ultimate parent undertaking, General Electric Company, a company incorporated in the USA. Its consolidated accounts are available to the public and may be obtained from 3135 Easton Turnpike, Fairfield, Connecticut 06431 USA.

The smallest group in which the results of the company are consolidated is that of IGE USA Investments, a company registered in England and Wales. The consolidated accounts of the company are available to the public and may be obtained from 3<sup>rd</sup> Floor, 1 Trevelyan Square, Boar Lane, Leeds, LS1 6HP.