

# Barcom Plc

## Directors' report and financial statements

For the 15 months ended 31 December 1998

Registered Number: 2158109



# Barcom Plc

## Directors' report and financial statements

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# Barcom Plc

## Directors' report

The directors present their report and the audited financial statements for the 15 months ended 31 December 1998.

### Principal activities

The company provided head office support to subsidiaries during the period.

The principal activities of its subsidiaries are to provide total fleet management to the mining and quarrying, civil engineering, housing and industrial sectors and the sale and servicing of contractors plants.

### Business review

During the 15 month period the company made a loss before tax of £2,024,000 (*1997: profit of £1,869,000*).

### Dividends and transfer to reserves

The directors do not recommend the payment of a dividend (*1997: £822,000*). The retained loss for the period was £2,024,000 (*1997: profit of £841,000*) which the directors propose to transfer from reserves.

### Year 2000

Barcom Plc's computer systems are developed and maintained by related group companies where Year 2000 projects are being directed by multifunctional teams and led by senior management. Barcom Plc pays for the delivery of these systems and does not expect that the consequences of any unsuccessful modification would have a material adverse effect on the company's financial position, results of operations or liquidity.

### Directors and directors' interests

The directors who held office during the 15 month period and after the period end were as follows:

DE Rogers	(resigned 27 April 1998)
B Thompson	(resigned 27 April 1998)
A Pass	(resigned 27 April 1998)
EA Hayward	(resigned 27 April 1998)
JE Langford	(resigned 27 April 1998)
TF Fanelli	(appointed 27 April 1998)
K J Bongarten	(appointed 27 April 1998)
CS Littles	(appointed 27 April 1998, resigned 29 January 1999)
C Jacobs	(appointed 29 January 1999)

Since the company meets the definition in s736 (2) (3) of the Companies Act 1985 of a wholly owned 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.

# Barcom Plc

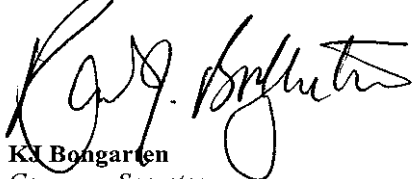
## Directors' report *(continued)*

### Auditors

On 14 August 1998 Binder Hamlyn resigned and KPMG Audit Plc were appointed as auditors of the company.

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

On behalf of the Board



**KJ Bongarten**  
Company Secretary

*GE Capital Equipment Services Limited  
1<sup>st</sup> Floor  
Dominions House  
Lime Kiln Close  
Stoke Gifford  
Bristol  
BS34 8SR*

27 JULY 1999

# Barcom Plc

## 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 auditors, KPMG Audit Plc to the members of Barcom Plc

We have audited the financial statements on pages 5 to 12.

### *Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

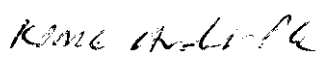
### *Basis of opinion*

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 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 December 1998 and of its loss for the 15 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
100 Temple Street  
Bristol  
BS1 6AG

27 July 1999

# Barcom Plc

## Profit and loss account

for the 15 months ended 31 December 1998

	<i>Note</i>	<b>15 months ended 31 December 1998 £000</b>	<b>Year ended 30 September 1997 £000</b>
Administrative expenses (including exceptional expenses of £1,225,000)	5	(2,060)	(670)
<b>Operating loss</b>		<b>(2,060)</b>	<b>(670)</b>
Income from shares in group undertakings	8	-	2,500
Interest receivable and similar income	6	1,306	39
Interest payable and similar charges	7	(1,270)	-
<b>(Loss)/profit on ordinary activities before taxation</b>	4	<b>(2,024)</b>	<b>1,869</b>
Tax on (loss)/profit on ordinary activities	9	-	(206)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(2,024)</b>	<b>1,663</b>
Dividends	10	-	(822)
<b>Retained (loss)/profit for the period</b>	15	<b>(2,024)</b>	<b>841</b>

The company has no recognised gains or losses in the current or preceding period, other than those dealt with in the profit and loss account.

The results in the above profit and loss account relate entirely to continuing operations.

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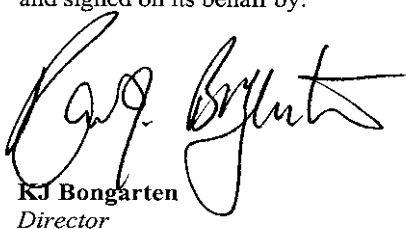
## Balance sheet

at 31 December 1998

	Note	31 December 1998		30 September 1997	
		£000	£000	£000	£000
<b>Fixed assets</b>					
Investments	11		830		8,433
<b>Current assets</b>					
Debtors	12	23,934		14,670	
Cash at bank		27,435		371	
		<u>51,369</u>		<u>15,041</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(32,604)</u>		<u>(1,877)</u>	
<b>Net current assets</b>			18,765		13,164
<b>Net assets</b>			<u>19,595</u>		<u>21,597</u>
<b>Capital and reserves</b>					
Called up share capital	14		11,041		11,022
Share premium	15		6,261		6,258
Special reserve	15		3,193		3,193
Profit and loss account	15		(900)		1,124
<b>Equity shareholders' funds</b>			<u>19,595</u>		<u>21,597</u>

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

27 JULY 1999

  
**KJ Bongarten**  
 Director



# Barcom Plc

## 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) Accounting convention*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules modified to include the revaluation of certain freehold and leasehold land and buildings.

#### *(b) Group accounts*

The company is exempt under Section 228 of the Companies Act 1989 from the requirement to prepare and deliver group financial statements. These financial statements present information about Barcom Plc as an individual undertaking and not about its group.

#### *(c) Investments*

Fixed asset investments are stated at cost less provision for permanent diminution in value.

#### *(d) Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### *(e) 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 financial statements of the ultimate parent company which are available to the public.

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

The company, as a wholly owned subsidiary undertaking of General Electric Company, has taken advantage of an exemption contained in FRS 8, "Related Party Disclosure", in preparing its financial statements. 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 financial statements of General Electric Company in which the company is included are available to the public.

### 2. Staff numbers and costs

The average number of persons employed (including directors) during the period, analysed by category was as follows:

	15 months ended 31 December 1998 Number	Year ended 30 September 1997 Number
Management	2	2
Administration	3	2
	<hr/>	<hr/>
	5	4
	<hr/>	<hr/>

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## Notes (continued)

### 2. Staff numbers and costs (continued)

	15 months ended 31 December 1998 £000	Year ended 30 September 1997 £000
The aggregate payroll costs of those persons were as follows:		
Wages and salaries	671	598
Social security costs	24	23
Other pension costs	-	-
	<hr/> 695 <hr/>	<hr/> 621 <hr/>

### 3. Directors' remuneration

	15 months ended 31 December 1998 £000	Year ended 30 September 1997 £000
Emoluments	648	566
Compensation for loss of office	767	-
	<hr/> 1,415 <hr/>	<hr/> 566 <hr/>

The number of directors to whom retirement benefits are accruing is:

	Number of directors	
	1998	1997
Under defined benefit schemes	-	1

The emoluments, excluding pension contributions, of the highest paid director were £175,074 (1997: £173,852) and compensation for loss of office of £307,500. The accrued pension from a defined benefit pension scheme of the highest paid director at the end of the year was £nil. (1997: £nil).

### 4. (Loss)/profit before taxation

Auditors' remuneration is borne by GE Capital Equipment Services Limited, a subsidiary undertaking.

### 5. Exceptional administrative expenses

	15 months ended 31 December 1998 £000	Year ended 30 September 1997 £000
Professional fees incurred in connection with acquisition of the company by GE Capital	458	-
Directors' termination costs	767	-
	<hr/> 1,225 <hr/>	<hr/> - <hr/>

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## Notes (continued)

### 6. Interest receivable and similar income

	15 months ended 31 December 1998 £000	Year ended 30 September 1997 £000
Bank interest	1,278	39
Interest on short term deposit	28	-
	<hr/> 1,306	<hr/> 39

### 7. Interest payable and similar charges

	15 months ended 31 December 1998 £000	Year ended 30 September 1997 £000
Interest payable to group undertakings	1,269	-
Bank interest	1	-
	<hr/> 1,270	<hr/> -

### 8. Income from shares in group undertakings

	15 months ended 31 December 1998 £000	Year ended 30 September 1997 £000
Dividends received from Barcom Plant Limited	-	2,500

### 9. Tax on (loss)/profit on ordinary activities

	15 months ended 31 December 1998 £000	Year ended 30 September 1997 £000
<i>UK current year taxation</i>		
Irrecoverable advance corporation tax	-	206

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## Notes (continued)

### 10. Dividends

	15 months ended 31 December 1998 £000	Year ended 30 September 1997 £000
Interim dividends of £nil (1997: 0.5p) per share	-	271
Final proposed dividend of £nil (1997: 1.0p) per share	-	551
	-	822

### 11. Investments

	Shares £000	Loan £000	Total £000
<b>Shares in subsidiary undertakings</b>			
<i>Cost</i>			
30 September 1997	5,900	17,546	23,446
Reclassification to inter-company debtors	-	(7,603)	(7,603)
31 December 1998	5,900	9,943	15,843
<i>Provision for diminution in value</i>			
30 September 1997 and 31 December 1998	(5,070)	(9,943)	(15,013)
<i>Net book value</i>			
<b>31 December 1998</b>	<b>830</b>	<b>-</b>	<b>830</b>
30 September 1997	830	7,603	8,433

The company owns the following principal subsidiaries all of which are registered in England and Wales.

Subsidiary undertaking	Principal activities	Proportion of issued share capital held by the company %	Class of shares
GE Capital Equipment Services Limited (formerly Barcom Plant Limited)	Fleet management, sale and servicing of plant	100	Ordinary
Contractors Equipment (Devon) Limited	Non-trading	100	Ordinary
PTL Plant Hire Limited	Non-trading	100	Ordinary

The company has guaranteed the indebtedness of subsidiaries totalling £14,954,064 (1997: £28,031,546).

# Barcom Plc

## Notes (continued)

### 12. Debtors

	31 December 1998 £000	30 September 1997 £000
Prepayments and accrued income	153	66
Amounts owed by subsidiary undertakings	23,777	14,604
Other debtors	4	-
	<hr/>	<hr/>
	23,934	14,670
	<hr/>	<hr/>

All debtors fall due within one year.

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

	31 December 1998 £000	30 September 1997 £000
Amounts owed to subsidiary undertakings	31,063	720
ACT payable	-	206
Other creditors, accruals and deferred income	1,541	67
Dividends payable	-	551
Acquisition consideration	-	333
	<hr/>	<hr/>
	32,604	1,877
	<hr/>	<hr/>

### 14. Share capital

	1998 £000	1997 £000
<i>Authorised:</i>		
70,000,000 ordinary shares of 20p each	14,000	14,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
55,206,716 ordinary shares of 20p each	11,041	11,022
	<hr/>	<hr/>

In January 1998 two of the directors, B Thompson and A Pass, exercised options to acquire 68,025 and 27,210 ordinary shares of 20p each respectively. The exercise price for each share was 23p, giving rise to a total share premium of £2,857.

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## Notes (continued)

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

	Called up share Capital £000	Share premium £000	Special reserve £000	Profit and Loss account £000	1998 Share- holders' funds £000	1997 Share- holders' funds £000
At beginning of year	11,022	6,258	3,193	1,124	21,597	20,196
New share capital issued	19	-	-	-	19	185
Share premium arising on share issue	-	3	-	-	3	375
Retained (loss)/profit for the period	-	-	-	(2,024)	(2,024)	841
<b>At end of year</b>	<b>11,041</b>	<b>6,261</b>	<b>3,193</b>	<b>(900)</b>	<b>19,595</b>	<b>21,597</b>

### 16. Pension scheme

The company participates in a defined benefit pension scheme operated by GE Capital Equipment Services Limited. No contributions were made by the company in the current or preceding financial periods.

The latest formal actuarial valuation of the pension plan was at 5 April 1996. Particulars of the actuarial valuation are contained in the financial statements of GE Capital Equipment Services Limited, a subsidiary of Barcom Plc.

### 17. Ultimate parent company

The company's immediate parent undertaking and controlling entity is GE Capital Corporation Holdings, a company registered in England and Wales.

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 financial statements of this company are available to the public and may be obtained from 3<sup>rd</sup> Floor, 1 Trevelyan Square, Boar Lane, Leeds, LS1 6HP.

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