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REGISTERED NUMBER : 2883980

**FIBREWAY LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**31 MARCH 1995**



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# **FIBREWAY LIMITED**

## **REPORT OF THE DIRECTORS**

The Directors present their first Report and the audited Financial Statements for the period from 21 December 1993 to 31 March 1995.

### **Principal activities and business review**

The Company was incorporated on 21 December 1993 and commenced trading on 29 April 1994.

The business of the Company is the leasing and sale of optical fibre cables to telecommunication network operators.

### **Results and Dividends**

The loss for the period on ordinary activities before taxation was £474,000 and after taxation relief was £318,000.

### **Changes in fixed assets**

The movements in fixed assets during the period are set out in note 6 to the financial statements.

### **Directors**

The directors holding office during the period are listed below:

Mr R D Goddard	(Managing Director)	-	Appointed 21 December 1993
Mr G Boothroyd		-	Appointed 21 December 1993
Ms J Reynolds		-	Appointed 14 March 1994
Instant Companies Limited		-	Appointed 21 December 1993; Resigned 21 December 1993.

### **Directors' interests**

According to the Company's Register of Directors' Interests, no director of the Company, nor any member of their families, as defined by the Companies Act 1985, had any interest in the shares of the Company.

No director who was not also a director of the Company's parent or holding companies, held, on 31 March 1995, any interest in, or was granted or exercised, during the period, any right to subscribe for shares in or debentures of The General Electric Company, p.l.c. or its subsidiary companies, except as shown below:

#### **At 31 March 1995 and at date of appointment**

	GEC Employee 1992 Savings Related Share Option Scheme	GEC Managers 1984 Share Option Scheme
G Boothroyd	1,316	40,000

The exercise prices range from 155p to 328p per share and the options are exercisable at various years up to 2004.

**FIBREWAY LIMITED**

**REPORT OF THE DIRECTORS** (continued)

Employee participation

Employee participation and involvement continues to be a high priority for TCL.

Communication and employee development processes are continually reviewed and improved to ensure employees understand the Company objectives and how they can best contribute to them.

A number of cross functional project groups involving employees from a variety of levels within the organisation have been established to address key business issues.

Changes in working practices, including team and cell working in the factory, have further enhanced participation.

Employment of disabled persons

The Company's policy is to give full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. If an employee becomes disabled, the Company, wherever possible, seeks to either continue their employment in their existing job, or to redeploy them on suitable alternative duties within the Company.

Auditors

A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

By order of the Board



G G Daniel  
SECRETARY

15 September 1995

## AUDITORS' REPORT TO THE MEMBERS OF

### FIBREWAY LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

#### Respective responsibilities of directors and auditors

The directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for the financial period and to state whether the financial statements 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 affairs of the Company as at 31st March 1995 and of the loss of the Company for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

  
COOPERS & LYBRAND

Chartered Accountants & Registered Auditors

London

15 September 1995

**FIBREWAY LIMITED****PROFIT AND LOSS ACCOUNT****For the period from 21 December 1993 to 31 March 1995**

	Note	1995 £000
<b>TURNOVER</b>	1	2,271
Raw materials and consumables		(2,179)
Staff costs	4	(155)
Depreciation		(209)
Cost of hire of plant		(5)
Auditors' remuneration		(2)
Other external and operating charges		(59)
<b>OPERATING LOSS</b>		<b>(338)</b>
Interest payable and similar charges	2	(136)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<b>(474)</b>
Taxation credit	5	<u>156</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>	11	<b>(318)</b>

All items dealt with in arriving at the loss relate to continuing activities.


The Company has no recognised gains and losses in the period, other than the loss for the period, and therefore no statement of total recognised gains and losses is presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the period stated above, and their historical cost equivalents.

**FIBREWAY LIMITED****BALANCE SHEET****As at 31 March 1995**

	Note	1995 £000
<b>FIXED ASSETS</b>		
Tangible assets	6	<u>1,525</u>
<b>CURRENT ASSETS</b>		
Debtors - Due within one year	7	205
Cash at bank and in hand		<u>15</u>
		220
<b>CURRENT LIABILITIES</b>		
Creditors: amounts falling due within one year	8	<u>(546)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(326)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,199
Creditors: amounts falling due after more than one year	8	<u>(1,487)</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Deferred taxation	9	<u>(30)</u>
<b>NET LIABILITIES</b>		<u>(318)</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	10	-
Profit and loss account		<u>(318)</u>
Equity shareholders' funds - deficit	12	<u>(318)</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 15 September 1995 and were signed on its behalf by:



R D Goddard  
Director

## **FIBREWAY LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **(a) BASIS OF ACCOUNTING**

The Financial Statements have been prepared under the historical cost convention.

#### **(b) TURNOVER**

Turnover, which excludes value added tax, represents the sales value of goods and services supplied to outside customers.

#### **(c) TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost. Depreciation is provided on a straight line basis over the estimated useful lives as follows:-

Assets held for use in  
operating leases      -      8 years.

#### **(d) LEASED ASSETS**

The annual rentals of operating leases are credited to the profit and loss account on an accruals basis.

#### **(e) DEFERRED TAXATION**

Deferred taxation is provided on the liability method for all timing differences which are expected to reverse in the foreseeable future.

#### **(f) PENSION SCHEMES**

Eligible employees are members of one of The General Electric Company, p.l.c. pension schemes. Based on recommendations by independent actuaries, the rate of employee and company contributions are intended, in respect of each period, to provide sufficient funds to meet future benefits relating to that period's service. Contributions, the Company's share of which are charged against profits for the period, are held in trustee-administered funds independent of the Company's finances.



**FIBREWAY LIMITED**

**PRINCIPAL ACCOUNTING POLICIES (continued)**

**(g) CASH FLOW STATEMENT**

A cash flow statement has not been prepared because the Company is a wholly owned subsidiary of Telephone Cables Limited, within whose consolidated cash flow statement the cash flows are included.

# **FIBREWAY LIMITED**

## **NOTES TO FINANCIAL STATEMENTS**

1.	<b>ANALYSIS OF TURNOVER BY MAIN MARKETS</b>	<b>1995</b>
		<b>£000</b>
	United Kingdom	<b><u>2,271</u></b>
2.	<b>INTEREST PAYABLE</b>	<b>£000</b>
	To other Group undertakings	<b><u>136</u></b>
3.	<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>£000</b>
	Loss is stated after charging or (crediting):	
	Operating lease rentals receivable	<b>(232)</b>
	(Profit) on sale of fixed assets	<b>(4)</b>
	Auditors' remuneration	<b>2</b>
4.	<b>DIRECTORS AND EMPLOYEES</b>	<b>Number</b>
	<b>Employees</b>	
	The average weekly number of persons (excluding directors) employed by the Company was:	
	In the UK	<b><u>5</u></b>
		<b>£000</b>
	Staff costs for the above persons were:	
	Wages and salaries	<b>141</b>
	Social security costs	<b><u>14</u></b>
		<b><u>155</u></b>
	<b>Directors</b>	
	No directors received any remuneration in the period in respect of their services for the Company.	

**FIBREWAY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>5. TAXATION CREDIT</b>	<b>1995 £000</b>
United Kingdom	
Group relief receivable	<b>186</b>
Deferred Taxation charge	<b>(30)</b>
	<b><u>156</u></b>

<b>6. TANGIBLE FIXED ASSETS</b>	<b>Assets held for use in operating leases £000</b>	<b>Fixtures fittings, tools, equipment £000</b>	<b>Total £000</b>
<b>COST</b>			
Transfers from/(to) other Group Companies	(5)	24	19
Additions	1,705	27	1,732
Disposals	-	(16)	(16)
<b>At 31 March 1995</b>	<b><u>1,700</u></b>	<b><u>35</u></b>	<b><u>1,735</u></b>
<b>DEPRECIATION</b>			
Transfers from/(to) other Group Companies	(2)	17	15
Charge for the period	195	14	209
Disposals	-	(14)	(14)
<b>At 31 March 1995</b>	<b><u>193</u></b>	<b><u>17</u></b>	<b><u>210</u></b>
<b>NET BOOK VALUES</b>			
<b>At 31 March 1995</b>	<b><u>1,507</u></b>	<b><u>18</u></b>	<b><u>1,525</u></b>

The cost of fixed assets held for use in operating leases was £1,700,000 and the related accumulated depreciation was £193,000.

<b>7. DEBTORS</b>	<b>£000</b>
<b>Amounts falling due within one year</b>	
Trade debtors	<b>19</b>
Amounts owed by parent undertaking	<b><u>186</u></b>
	<b><u>205</u></b>

**FIBREWAY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****8. CREDITORS** **1995**  
**£000****Amounts falling due within one year**

Advance payments from customers	27
Trade creditors	82
Amounts owed to parent undertakings	433
Other taxation and social security payable	3
Other creditors	<u>1</u>
	<b><u>546</u></b>

**Amounts falling due after more than one year:**

Amounts owed to parent undertakings	<b><u>1,487</u></b>
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The amounts owed to parent undertakings are repayable in 8 equal annual instalments at an interest rate of 2.5% above Barclays Bank lending rate.

**9. DEFERRED TAXATION**

Deferred taxation provided in the Financial Statements and the total potential liability, are as follows:

	<b>£000</b>
At 21 December 1993	-
Profit and loss account	<u>30</u>
	<u>30</u>
	<b>£000</b>

Tax effect of timing differences due to:

Excess tax allowances over depreciation	75
Other	<u>(45)</u>
	<u>30</u>

**10. CALLED UP SHARE CAPITAL** **£000**

Authorised 1,000 Ordinary shares of £1 each	<u>1</u>
Allotted, called up and fully paid 2 Ordinary shares at £1 each	<u>-</u>

**11. PROFIT AND LOSS ACCOUNT** **£000**

At 21 December 1993	-
Retained loss for the period	<b><u>(318)</u></b>
At 31 March 1995	<b><u>(318)</u></b>

## **FIBREWAY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	£000
Opening shareholders' funds	-
Loss for the period	<b>(318)</b>
Closing shareholders' funds	<b>(318)</b>

#### **13. PENSIONS**

The Company is a subsidiary of The General Electric Company, p.l.c. ("GEC") and all its employees who are members of a pension plan are members of The GEC Plan ("the Plan"), the principal pension plan of the GEC Group. The Plan is funded and is of the "defined benefit" type. Particulars of the most recent actuarial valuation will be disclosed in the report and accounts of GEC for the year to 31 March, 1995.

The pensions cost charge of the Company in respect of employees who are members of the Plan consists of employers' contributions payable which are similar across the Group as a whole as a percentage of pensionable earnings. Based on advice of a qualified actuary, there was no Company contribution to the Plan in the year under review (1994 £Nil). The current valuation exercise as at 5 April, 1994 was completed in June, 1995. A charge for the period ended 31 March, 1995 has been made in the accounts of the ultimate parent company and will not be recharged to the Company. Accordingly there is no pension cost charge in the period ended 31 March, 1995. Contributions at 6 per cent. of members' pensionable pay commenced with effect from 1 April, 1995.

#### **14. 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 for which group accounts are prepared. The parent undertaking of the smallest such group of undertakings of which the Company is a member is Telephone Cables 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.