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Company Number: 2984211

GPT Special Project Management Limited

Report and Financial Statements

31 March 1998



# GPT Special Project Management Limited

## Report of the Directors

The Directors present their Report and the audited Financial Statements for the year ended 31 March 1998.

### Principal activity

The principal activity of the Company is to provide the operation and maintenance of communication systems and associated customer training in the Middle East.

### Review of business and future developments

Both the level of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Results and Dividends

The profit on ordinary activities before taxation for the year was £1,838,000. Taxation on profit amounted to £571,000 and the retained profit for the year was £1,267,000.

No dividend is proposed.

### Directors

The Directors holding office during the year are listed below:

Mr S A Berg	(Appointed 7 April 1997)
Mr A R Cobbe	(Resigned 3 July 1998)
Mr P N Glanfield	(Resigned 26 June 1998)
Mr S Hare	(Resigned 7 April 1997)
Mr P M Hinchliffe	(Appointed 3 July 1998)
Mr N D Sutcliffe	(Appointed 29 June 1998 and resigned 17 August 1998)

### Directors' interests

None of the Directors had any beneficial interest, other than in the ordinary course of business, in any contract to which the Company was a party during the year.

According to the Company's Register of Directors' Interests, no Director of the Company, nor any member of his family, 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 company held, on 31 March 1998, any interest in, or was granted or exercised, during the year, any right to subscribe for shares in or debentures of The General Electric Company, p.l.c. ("GEC") or its subsidiary companies, except as shown below:

# GPT Special Project Management Limited

## Report of the Directors *(continued)*

### Directors' interests *(continued)*

P N Glanfield

	<u>31 March 1998</u>	<u>Exercised</u>	<u>Granted</u>	<u>At 1 April 1997</u>
The GEC Managers' 1984 Share Option Scheme	48,000	-	-	48,000
The GEC 1992 Employee Savings-Related Share Option Scheme	7,575	-	578	6,997
The GEC 1997 Executive Share Option Scheme	48,840	-	48,840	Nil
The GEC Employee Savings-Related Share Option Scheme	-	2,467	-	2,467

	<u>31 March 1998</u>	<u>Disposed</u>	<u>Acquired</u>	<u>At 1 April 1997</u>
Ordinary Shares	3,370	1,578	2,467	2,481

The options are exercisable normally in the years 1997 to 2007 at subscription prices between 100p - 337p per share.

### Charitable donations

There were no charitable donations made during the year.

### Year 2000

The Company is a wholly owned subsidiary of GEC in whose Annual Report and Financial Statements for the year ended 31 March 1998, the policy in respect of the Year 2000 is disclosed.

# GPT Special Project Management Limited

## Report of the Directors (*continued*)

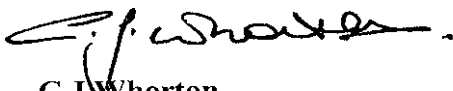
### **Payment of creditors**

The Companies Act 1985, as amended, requires the Company to make a statement of its policy and practice on the payment of creditors.

It is and will continue to be the policy of the Company to negotiate with suppliers so as to obtain the best available terms taking account of quality, price and period of settlement and, having agreed those terms, to abide by them.

The total amount of trade creditors falling due within one year, excluding amounts owed to companies in the GEC group, represents 11 days worth as a proportion of the total amount invoiced by suppliers during the year ended on that date.

By order of the Board.



**C J Whorton**  
*Secretary*

7. December. 1998

Registered Office  
New Century Park  
Coventry  
CV3 1HJ

# GPT Special Project Management Limited

## Auditors' report to the members of GPT Special Project Management Limited

We have audited the Financial Statements on pages 5 to 10 which have been prepared under the historical cost convention and 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 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.

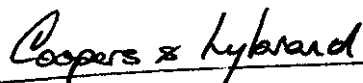
### **Basis of opinion**

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 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Coopers & Lybrand**  
Chartered Accountants and Registered Auditors  
Birmingham

7 December 1998

# GPT Special Project Management Limited

## Profit and loss account

For the year ended 31 March 1998

	Note	1998 £000	1997 £000
<b>Turnover</b>		15,717	19,521
Staff costs	1	(6,129)	(5,162)
Other external and operating charges		(7,738)	(11,850)
Auditors' remuneration		<u>(12)</u>	<u>(11)</u>
<b>Profit on ordinary activities before taxation</b>		1,838	2,498
Tax on profit on ordinary activities	2	<u>(571)</u>	<u>(826)</u>
<b>Retained profit for the year</b>	6	<u><u>1,267</u></u>	<u><u>1,672</u></u>

Movements in reserves are shown in note 6.

All operations are continuing.

The Company had no recognised gains and losses apart from the profit for the year.

## Reconciliation of movement in equity shareholders' funds

	1998 £000	1997 £000
At 1 April	2,279	607
Profit for the year	<u>1,267</u>	<u>1,672</u>
<b>At 31 March</b>	<u><u>3,546</u></u>	<u><u>2,279</u></u>

# GPT Special Project Management Limited

## Balance sheet

As at 31 March 1998

	Note	1998 £000	1997 £000
<b>Current assets</b>			
Debtors	3	1,585	1,568
Cash at bank and in hand		<u>5,031</u>	<u>5,887</u>
		6,616	7,455
<b>Creditors: amounts falling due within one year</b>	4	<u>(3,070)</u>	<u>(5,176)</u>
<b>Net assets</b>		<u>3,546</u>	<u>2,279</u>
<b>Capital and reserves</b>			
Called up share capital	5	-	-
Profit and loss account	6	<u>3,546</u>	<u>2,279</u>
<b>Equity shareholders' funds</b>		<u>3,546</u>	<u>2,279</u>

The Financial Statements were approved by the Directors on 7. December . 1998 and were signed on their behalf by:



S A Berg  
Director

# GPT Special Project Management 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 comprises the sales value, excluding value added tax, of goods and services supplied to customers in the Middle East.

### **(c) Foreign currency**

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising are taken to the profit and loss account.

### **(d) 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 rates of employee and company contributions are intended, in respect of each year, to provide sufficient funds to meet future benefits relating to that year's service. Contributions, the Company's share of which is charged against profits for the year, are held in trustee-administered funds independent of the Company's finances.



# GPT Special Project Management Limited

## Notes to the financial statements

### 1. Directors and employees

#### *Employees*

The average weekly number of employees employed by the Company during the period was:

	1998	1997
	Number	Number
United Kingdom	2	1
Overseas	<u>437</u>	<u>439</u>

Staff costs for the above persons were:

	£000	£000
Wages and salaries	5,921	4,988
Social security costs	179	158
Other pension costs	<u>29</u>	<u>16</u>
	<u>6,129</u>	<u>5,162</u>

#### *Directors*

No remuneration was paid to the Directors (1997 £Nil).

### 2. Taxation on profit on ordinary activities

	1998	1997
	£000	£000
United Kingdom taxation:		
Corporation tax at 31% (1997 33%)	<u>571</u>	<u>826</u>

### 3. Debtors

	1998	1997
	£000	£000
<i>Amounts falling due within one year</i>		
Trade debtors	1,474	1,485
Other debtors	<u>111</u>	<u>83</u>
	<u>1,585</u>	<u>1,568</u>

# GPT Special Project Management Limited

## Notes to the financial statements *(continued)*

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

	1998	1997
	£000	£000
Trade creditors	435	3,692
Amounts owed to parent undertaking	125	229
Corporation tax	571	826
Other taxation and social security	12	12
Accruals and deferred income	<u>1,927</u>	<u>417</u>
	<u>3,070</u>	<u>5,176</u>

### 5. Share capital

	1998	1997
	£	£
<i>Authorised</i>		
1,000 Ordinary Shares of £1	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

### 6. Profit and loss account

	£000
1 April 1997	2,279
Retained profit for the year	<u>1,267</u>
31 March 1998	<u>3,546</u>

### 7. Pensions

The Company is a subsidiary of The General Electric Company, p.l.c. ("GEC") and nearly all of its employees who are members of a pension plan are members of The G.E.C. 1972 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 are disclosed in the report and Financial Statements of GEC for the year ended 31 March 1998.

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 the advice of the Scheme Actuary, the Company contribution to the Plan in the year under review amounted to £29,000 (1997: £16,000) calculated at 6 per cent. of members' pensionable pay.

# GPT Special Project Management Limited

## Notes to the financial statements *(continued)*

### 7. **Pensions *(continued)***

The current valuation exercise as at 5 April 1997 was completed in February 1998 and on the advice of the Scheme Actuary the Company's contributions will increase with effect from 1 April 1998, to 6.6 per cent. of members' pensionable pay. A charge in respect of the increase in the rate of contribution for the year ended 31 March 1998 has been made in the Financial Statements of the parent company and will not be recharged to the Company.

### 8. **Cash flow statement**

The Company is a subsidiary of Marconi Communications Holdings Limited, which is a subsidiary of The General Electric Company p.l.c, in whose consolidated Financial Statements, which are publicly available, the Company is included. The Company is therefore exempt from the requirement to prepare a cashflow statement under Financial Reporting Standard 1 (Revised).

### 9. **Related Party disclosures**

The Company is a subsidiary of Marconi Communications Holdings Limited. Advantage has been taken of the exemption permitted by FRS 8 not to disclose transactions with entities that are part of the Marconi Communications Holdings Limited group or investees of the group qualifying as related parties. The Directors consider The General Electric Company p.l.c. (GEC) and subsidiary and associated undertakings to be a related party. During the year the company purchased goods and services with a value of £157,000 (1997: £141,000) from the GEC Group. At 31 March 1998 the company owed the GEC group £69,000 (1997: £103,000) and the Marconi Communications Holdings Group £125,000 (1997: £229,000). The Company had no other related party transactions.

### 10. **Parent undertakings**

The Company's ultimate parent company is GEC which is the only parent undertaking to consolidate the Financial Statements of the Company

Copies of the Financial Statements of GEC are available from The Secretary, One Bruton Street, London, W1X 8AQ.