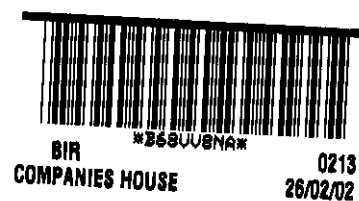


Company Number: 2984211

# GPT Special Project Management Limited

## Report and Financial Statements

31 March 2001



# 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 2001.

### Principal activity

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

### Results and Dividends

Results for the year are shown in the profit and loss account on page 5.

The Directors do not recommend the payment of a dividend (2000: £nil).

### Directors

The Directors holding office during the year are listed below:

S Hare	(Resigned 19 October 2000)
P M Hinchliffe	(Resigned 19 October 2000)
P Jodlowski	(Appointed 19 October 2000)
G R Simmons	(Appointed 19 October 2000)
M F Surrey	(Appointed 19 October 2000)
N D Sutcliffe	(Appointed 19 October 2000)

### Directors' interests

According to the Register kept by the Company under Section 325 of the Companies Act 1985, none of the Directors had any disclosable interests in the shares of the Company or any subsidiary of the Company's ultimate parent company, Marconi plc, as at 31 March 2001.

No Director, who was not also a Director of the Company's parent or ultimate parent company held, on 31 March 2001, any interest in, or was granted or exercised, during the year, any right to subscribe for shares in Marconi plc (Marconi), or its subsidiary companies, except as shown below:

### Ordinary Shares of 5p each, fully paid

	31 March 2001	1 April 2000 (or subsequently on appointment)
G R Simmons	4,174	4,141

# GPT Special Project Management Limited

## Report of the Directors (*continued*)

### **Directors' interests (*continued*)**

The interests of Directors in options over ordinary shares of 5 pence each in Marconi under the Marconi 1999 Stock Option Plan, the 1997 Executive Share Option Scheme, the Marconi UK Sharesave Plan, the Managers' 1984 Share Option Scheme, the Marconi Phantom Option Plan and the Marconi Launch Share Plan for the period are shown below:

	At 1 April 2000 (or subsequently on appointment)	Granted during the period	Exercised during the period	Lapsed during the period	At 31 March 2001
	Number	Number	Number	Number	Number
P Jodlowski	-	7,136	-	-	7,136
G R Simmons	44,531	14,477	-	-	59,008

### **Payment of creditors**

It is 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 to abide by those terms.

The total amount of trade creditors falling due within one year, excluding amounts owed to companies in the Marconi plc group, represents 30 days (2000: 30 days) worth as a proportion of the total amount invoiced by suppliers during the year ended on that date.

### **Employee participation**

Ensuring that all employees are given maximum opportunity to participate in growing the business remains a key principle of our management objectives.

During the year the Company continued with its commitment to ensure active employee participation and involvement, using established communication techniques. This included regular briefs on the decisions affecting the future of the business.

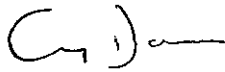
### **Employment of disabled persons**

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.

# GPT Special Project Management Limited

## Report of the Directors (*continued*)

By Order of the Board.



**C G Donaldson**  
*Secretary*

13TH FEBRUARY 2002

Registered Office  
New Century Park  
P O Box 53  
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 United Kingdom law and accounting standards. They are also responsible for selecting appropriate accounting policies and then applying them consistently and making judgements and estimates that are reasonable and prudent and for preparing the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

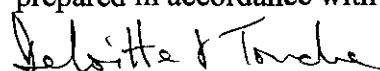
### **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche**

Chartered Accountants and Registered Auditors  
Colmore Gate, 2 Colmore Row, Birmingham B3 2BN

26 February 2002

# GPT Special Project Management Limited

## Profit and loss account

For the year ended 31 March 2001

	Note	2001 £000	2000 £000
<b>Turnover</b>		<b>50,354</b>	<b>36,600</b>
Staff costs	2	(8,178)	(5,495)
Other external and operating charges		<u>(35,887)</u>	<u>(26,736)</u>
<b>Operating profit and profit on ordinary activities before taxation</b>	3	<b>6,289</b>	<b>4,369</b>
Tax on profit on ordinary activities	4	<u>(1,888)</u>	<u>(1,311)</u>
<b>Retained profit for the year</b>		<b><u>4,401</u></b>	<b><u>3,058</u></b>

Movements in reserves are shown in note 8.

All operations are continuing.

The Company had no recognised gains and losses apart from the profit for the current and preceding financial years.

## Reconciliation of movement in equity shareholders' funds

	2001 £000	2000 £000
At 1 April	8,298	5,240
Profit for the year	<u>4,401</u>	<u>3,058</u>
<b>At 31 March</b>	<b><u>12,699</u></b>	<b><u>8,298</u></b>

# GPT Special Project Management Limited

## Balance sheet

As at 31 March 2001

	Note	2001 £000	2000 £000
<b>Current assets</b>			
Debtors	5	18,472	6,800
Cash at bank and in hand		<u>20,967</u>	<u>15,359</u>
		39,439	22,159
<b>Creditors: amounts falling due within one year</b>	6	<u>(26,740)</u>	<u>(13,861)</u>
<b>Net assets</b>		<u>12,699</u>	<u>8,298</u>
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account	8	<u>12,699</u>	<u>8,298</u>
<b>Equity shareholders' funds</b>		<u>12,699</u>	<u>8,298</u>

The Financial Statements were approved by the Directors on  
and were signed on their behalf by:

13th FEBRUARY 2002

*Mike Surrey*

**M F Surrey**  
Director

# GPT Special Project Management Limited

## Notes to the financial statements

### 1. 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 Marconi group 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 *(continued)*

### 2. Directors and employees

#### *Employees*

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

	2001 Number	2000 Number
United Kingdom	1	1
Overseas	484	442
	<u>485</u>	<u>443</u>

Staff costs for the above persons were:

	£000	£000
Wages and salaries	7,781	5,267
Social security costs	330	198
Other pension costs	67	30
	<u>8,178</u>	<u>5,495</u>

#### *Directors*

The Directors are senior executives of the Marconi group with an insignificant proportion of time spent on the affairs of the Company. It is inappropriate to allocate emoluments specifically for their services as Directors of the Company. (2000: £nil)

### 3. Profit on ordinary activities before taxation

2001 £000	2000 £000
--------------	--------------

The profit on ordinary activities is stated after:

Auditors' remuneration	<u>9</u>	<u>9</u>
------------------------	----------	----------

### 4. Taxation on profit on ordinary activities

2001 £000	2000 £000
--------------	--------------

United Kingdom taxation:

Corporation tax at 30%	<u>1,888</u>	<u>1,311</u>
------------------------	--------------	--------------

### 5. Debtors

2001 £000	2000 £000
--------------	--------------

#### *Amounts falling due within one year*

Trade debtors	11,625	6,410
Amounts owed by fellow subsidiaries	133	-
Other debtors	6,714	390
	<u>18,472</u>	<u>6,800</u>

# GPT Special Project Management Limited

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

6.	<b>Creditors: amounts falling due within one year</b>	<b>2001</b>	<b>2000</b>
		<b>£000</b>	<b>£000</b>
	Trade creditors	21,093	10,929
	Amounts owed to parent undertaking	3,144	1,332
	Corporation tax	1,887	1,311
	Other taxation and social security	-	3
	Other creditors	616	286
		<u>26,740</u>	<u>13,861</u>
7.	<b>Share capital</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	<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>
8.	<b>Profit and loss account</b>	<b>£000</b>	
	1 April 2000	8,298	
	Retained profit for the year	<u>4,401</u>	
	<b>31 March 2001</b>	<u>12,699</u>	

## 9. Pensions

The Company is a subsidiary of Marconi plc ("Marconi") and all of its employees are eligible to become members of The GEC 1972 Plan ("the Plan"), the principal UK pension plan of the Marconi 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 Marconi for the year ended 31 March 2001.

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 Marconi 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 £67,000 (2000: £30,000) calculated at 6.6 per cent of members' pensionable salaries.

# GPT Special Project Management Limited

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

### 10. **Cash flow statement**

The Company is a subsidiary of Marconi Communications Limited, which is a subsidiary of Marconi plc, in whose consolidated Financial Statements, which are publicly available, the Company is included. The Company is therefore exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard 1 (Revised).

### 11. **Related Party disclosures**

The Company is a subsidiary of Marconi Communications Limited, which is a subsidiary of Marconi plc. Advantage has been taken of the exemption permitted by FRS 8 not to disclose transactions with entities that are part of the Marconi group or investees of the group qualifying as related parties. The Directors consider Marconi plc and subsidiary and associated undertakings to be a related party. Balances with these entities are disclosed in notes 5 and 6 of these Financial Statements.

### 12. **Parent undertakings**

The Company's ultimate parent is Marconi plc, which was the only parent undertaking to consolidate the Financial Statements of the Company.

Copies of the financial statements of Marconi plc are available from the Secretary at One Bruton Street, London W1J 6AQ.