

G MIDDLE EAST LIMITED
(formerly GPT Middle East Limited)

Report and Financial Statements

Year ended 31 March 2006

FRIDAY



ARE01LK2

A14

22/12/2006

557

COMPANIES HOUSE

G MIDDLE EAST LIMITED (formerly GPT Middle East Limited)

REPORT AND FINANCIAL STATEMENTS 2006

CONTENTS

Officers and registered office	1
Directors' report	2
Profit and loss account	4
Reconciliation of movements in equity shareholders' funds	4
Balance sheet	5
Notes to the accounts	6

G MIDDLE EAST LIMITED (formerly GPT Middle East Limited)

REPORT AND FINANCIAL STATEMENTS 2006

OFFICERS AND REGISTERED OFFICE

DIRECTORS

C G Donaldson
K D Smith

SECRETARY

C G Donaldson

REGISTERED OFFICE

New Century Park
PO Box 53
Coventry
CV3 1HJ

DIRECTORS' REPORT

The Directors present their report and the financial statements of the Company for the year ended 31 March 2006.

This director's report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985.

PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

The principal activity of the Company was the provision of telecommunications supplies and technical services to Asia and the Middle East. The Company did not trade during the year and the Directors do not anticipate that the Company will resume trading in the foreseeable future.

On 25 October 2005, the Marconi Group announced the proposed disposal of its telecommunications equipment and international services business to Ericsson for approximately £1,200 million. The deal completed on 23 January 2006, although the effective date of completion was 1 January 2006 under a Memorandum of Agreement. The disposed business represented approximately 75% of the Group's turnover for the year ended 31 March 2005.

Marconi Corporation plc, the Company's ultimate parent undertaking, has been renamed **telent** plc. It has retained its UK Telecommunications Services business, its UK and German Value Added Services businesses and its System X product and support business. Following the disposal the Company continues to be non-trading.

The company changed its name from GPT Middle East Limited to G Middle East Limited on 21 March 2006.

RESULTS AND DIVIDENDS

The Company made neither a profit nor a loss for the year ended 31 March 2006 (2005: £78,000 profit). The Directors do not recommend the payment of a dividend (2005: nil).

DIRECTORS

The Directors holding office since 1 April 2005 are listed below:

C G Donaldson
K D Smith

DIRECTORS' INTERESTS

According to the Register kept by the Company under Section 325 of the Companies Act 1985, the interests of the Directors holding office at the end of the year in the shares of the Company, **telent** plc (formerly Marconi Corporation plc), the Company's ultimate holding company as at 31 March 2006, or its subsidiaries, were as follows (the figures stated reflect the two for seven consolidation of **telent** plc (formerly Marconi Corporation plc) shares which took effect on 27 March 2006):

telent plc (formerly Marconi Corporation plc)

- a) Interests in warrants over ordinary shares of 87.5 pence (2005: 25 pence) each fully paid:

Name of Director	At 31 March 2005	At 31 March 2006
C G Donaldson	23	23

- b) Options over ordinary shares of 87.5 pence (2005: 25 pence) each in **telent** plc (formerly Marconi Corporation plc) granted under the Employee Share Option Plan and the Sharesave Plan:

Name of Director	At 1 April 2005	Lapsed during the period	Exercised during the period	Granted during the period	At 31 March 2006
C G Donaldson	19,146	-	(5,019)	-	14,127
K D Smith	17,833	-	(3,032)	-	14,801

G MIDDLE EAST LIMITED (formerly GPT Middle East Limited)

DIRECTORS' REPORT (continued)

By order of the Board

A handwritten signature in black ink, appearing to be 'C G Donaldson', with a horizontal line extending from the end of the signature.

C G Donaldson

Director

19/12

2006

G MIDDLE EAST LIMITED (formerly GPT Middle East Limited)

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2006

	Note	2006 £000	2005 £000
Other operating income		-	70
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	70
Tax on profit on ordinary activities	3	-	8
RETAINED PROFIT FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES	5	-	78

All operations are discontinued.

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

RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

Year ended 31 March 2006

	2006 £000	2005 £000
Opening balance	228	150
Profit for the year	-	78
Closing balance	228	228

G MIDDLE EAST LIMITED (formerly GPT Middle East Limited)

BALANCE SHEET

As at 31 March 2006

	Note	2006 £000	2005 £000
CURRENT ASSETS			
Debtors: Amounts falling due within one year			
Amounts owed by fellow subsidiary undertakings		228	228
NET ASSETS		<u>228</u>	<u>228</u>
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account		128	128
EQUITY SHAREHOLDER'S FUNDS		<u>228</u>	<u>228</u>

STATEMENTS

- a) For the year ended 31 March 2006 the company was entitled to exemption from audit under section 249AA(1) of the Companies Act 1985 ("the Act").
- b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Act.
- c) The directors acknowledge their responsibility for:
 - i. ensuring the company keeps accounting records which comply with section 221; and
 - ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 19/12 2006

Signed on behalf of the Board of Directors



C G Donaldson

Director

NOTES TO THE ACCOUNTS

Year ended 31 March 2006

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The primary accounting policy, which has been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Taxation

Taxation on profit/(loss) on ordinary activities is that which has been paid or becomes payable in respect of profits/(losses) for the year. Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income or expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. DIRECTORS, EMPLOYEES AND AUDITORS

The Directors are employed and remunerated by other companies in the **telent** Group (formerly Marconi Group). They do not receive any remuneration specifically for their services as Directors of the Company (2005: £nil). The Company had no employees during the year (2005: none). The Auditors' remuneration was borne by another Group company in the preceding financial year.

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006 £000	2005 £000
Over provision of corporation tax in prior years	-	8
Current tax credit for year	-	8

Reconciliation of current tax credit for year

	2006 £000	2005 £000
Profit on ordinary activities before taxation	-	70
Tax charge on profit at UK statutory rate of 30% (2005: 30%)	-	21
Group relief for no payment	-	(21)
Over provision of corporation tax in prior years	-	8
Current tax credit for year	-	8

NOTES TO THE ACCOUNTS

Year ended 31 March 2006

4. CALLED UP SHARE CAPITAL

	2006	2005
	£000	£000
Authorised, allotted, called up and fully paid:		
100,000 ordinary shares of £1 each	100	100

5. CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of **telent** plc (formerly Marconi Corporation 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).

6. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of **telent** plc (formerly Marconi Corporation plc). Advantage has been taken of the exemption permitted by FRS 8 not to disclose transactions with entities that are part of the **telent** Group (formerly Marconi Group) or investees of the Group qualifying as related parties. Balances with these entities are disclosed in the balance sheet on page 5 of these financial statements.

7. PARENT UNDERTAKING

The Company's immediate parent company is **telent** Communications Holdings Limited (formerly Marconi Communications Holdings Ltd). The Company's ultimate parent undertaking and controlling company is **telent** plc (formerly Marconi Corporation plc), which is the only parent undertaking to consolidate the financial statements of the Company.

Copies of the financial statements of **telent** plc (formerly Marconi Corporation plc) are available from the Secretary at New Century Park, P O Box 53, Coventry, CV3 1HJ.