

COMPANY No : 509700

PM SERVICES LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 MARCH 2000



DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

The Directors present their report and financial statements of the Company for the year ended 31 March 2000.

1. **ACTIVITIES AND RESULTS**

The company has ceased trading in the current year. The profit for the year after taxation was £48,131 (1999 – Loss – (£92,286))

The Directors do not recommend the payment of a dividend (1999 - £nil).

2. **BUSINESS REVIEW AND FUTURE PROSPECTS**

All the tank testing equipment was sold during the year and the Company ceased to trade.

3. **DIRECTORS**

The membership of the board during the year was:-

Mr R D Goddard

Mr R M Griffiths (resigned 30 September 1999)

Mr R Wilkinson (appointed 20 September 1999)

4. **DIRECTORS' INTERESTS**

As of 26 November 1999 the company's ultimate parent company became Marconi plc ("Marconi"). Prior to this date the ultimate parent company was The General Electric Company, p.l.c. ("GEC"). According to the Register kept by the Company under Section 325 of the Companies Act 1985, none of the Directors held shares in the Company or the Company's holding company, GEC Avery Limited, and the interests of the Directors holding office at the end of the year in the shares of the Company's ultimate parent company, Marconi, are disclosed in the accounts of GEC Avery International Limited.

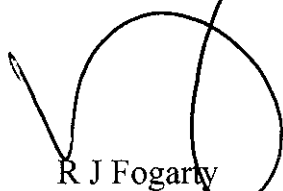
5. **YEAR 2000**

The Company has not experienced any significant issues relating to Year 2000. The Directors continue to be alert to the potential risks and uncertainties surrounding the Year 2000 issue. As at the date of this report, the Directors are not aware of any significant factors which have arisen, or that may arise, which will affect the activities of the business; however, the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

PM SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2000

Approved by the Board and signed on its behalf by :


R J Fogarty
Secretary

Date

31 May

2000

Foundry Lane,
Smethwick,
West Midlands.
B66 2LP

AUDITORS' REPORT TO THE MEMBERS OF PM SERVICES LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditors

The Directors are required by the Companies Act 1985 to prepare financial statements for each 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 accounts have been prepared in accordance with applicable United Kingdom 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 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 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 the Company's affairs at 31 March 2000 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

31 May 2000

PM SERVICES LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 March 2000

	Notes	2000 £	1999 £
Turnover		-	44,220
Depreciation		-	(127,381)
Other external operating income/(charges)		336	(10,939)
Profit on sale of fixed assets		21,401	-
Operating Profit/(Loss) before taxation		<u>21,737</u>	<u>(94,100)</u>
Taxation	2	<u>26,394</u>	<u>(1,814)</u>
Profit/(Loss) on ordinary activities after taxation		48,131	(92,286)
Profit and loss account brought forward		<u>672,805</u>	<u>765,091</u>
Profit and loss account carried forward		<u>720,936</u>	<u>672,805</u>

The results for the years above reflect trading from discontinued activities.

There are no gains or losses for the years above other than the profit/(loss) for the years above. Accordingly, no statement of total recognised gains or losses is given.

There has been no movement in shareholders' funds other than the profit for the year.

Accordingly, no reconciliation of movements in shareholders' funds is given.

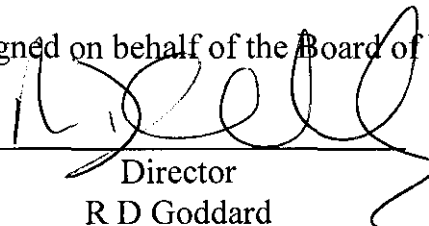
PM SERVICES LIMITED

BALANCE SHEET AT 31 March 2000

	Notes	2000 £	1999 £
<u>Fixed Assets</u>			
Tangible Assets	4	-	-
<u>Current Assets</u>			
Debtors	5	1,122,359	1,074,228
Cash at bank and in hand		96	96
		1,122,455	1,074,324
Creditors: Amounts falling due within one year	6	(1,519)	(1,519)
Net Current Assets		1,120,936	1,072,805
Net Assets		1,120,936	1,072,805
<u>Capital and Reserves</u>			
Called up share capital	8	400,000	400,000
Profit & loss account		720,936	672,805
Equity Shareholder Funds		1,120,936	1,072,805

The financial statements were approved by the Board of Directors on 31 May 2000.

Signed on behalf of the Board of Directors


Director
R D Goddard


Director
R Wilkinson

1. **ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies are described below.

(i) **Accounting Convention**

The accounts have been prepared under the historical cost convention.

(ii) **Cash Flow Statement**

The Company is exempt from the need to prepare a cash flow statement as it is a wholly owned subsidiary of Marconi plc

(iii) **Turnover**

Turnover represents the invoiced value, excluding value added tax, of sales of goods and services including sales to other companies in the Marconi Group.

(iv) **Deferred Taxation**

Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of the profit for the year. Deferred Taxation is provided on all timing differences which are expected to reverse in the future at the rate of tax anticipated to apply in the year of assessment.

(v) **Depreciation**

Depreciation is calculated on the straight line basis to write off initial cost at the following rate per annum.

Plant, Machinery & Motor Vehicles	25%
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2. TAXATION

Taxation is based upon the profit (loss) of the year and comprises :

	2000	1999
	£	£
Corporation Tax at 30% (1999 – 31%)	26,394	(1,814)
Deferred Taxation	<u>-</u>	<u>-</u>
	26,394	(1,814)
Over provision in respect of Prior Years		
Deferred Taxation	<u>-</u>	<u>-</u>
	26,394	(1,814)

The tax credit for the year does not take account of timing differences on accelerated capital allowances for which a deferred tax asset has not been recognised, as detailed in note 7.

3. DIRECTORS EMOLUMENTS

The Directors, who are the only employees of the Company, neither received nor waived any emoluments from the Company.

4. TANGIBLE FIXED ASSETS

	Plant, Machinery & Vehicles
	£
Cost	
At 1 April 1999	473,062
Disposals	(473,062)
	<u>-</u>
At 31 March 2000	<u>-</u>
Accumulated Depreciation	
At 1 April 1999	473,062
Charge for the year	-
Disposals	(473,062)
	<u>-</u>
At 31 March 2000	<u>-</u>
Net Book Value	
At 31 March 2000	<u>-</u>
At 31 March 1999	<u>-</u>

PM SERVICES LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 March 2000

5. DEBTORS

	2000 £	1999 £
Amounts owed by Group Undertakings	1,095,965	1,061,905
Corporation Tax recoverable	26,394	12,323
	<u>1,122,359</u>	<u>1,074,228</u>

6. CREDITORS : Amounts falling due within one year

	2000 £	1999 £
Other Creditors	1,519	1,519
	<u>1,519</u>	<u>1,519</u>

7. PROVISION FOR LIABILITIES AND CHARGES

The amount of deferred taxation provided and unprovided is as follows : -

	Provided		Unprovided	
	2000 £	1999 £	2000 £	1999 £
Capital allowances in excess of depreciation	-	-	-	(32,815)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,815)</u>

8. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised, allotted and fully paid:		
200,000 "A" Ordinary Shares of £1	200,000	200,000
200,000 "B" Ordinary Shares of £1	200,000	200,000
	<u>400,000</u>	<u>400,000</u>

The 'A' and 'B' ordinary shares rank parri passu in respect of dividends, voting and distribution of assets in the event of winding up.

9. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent undertaking is Marconi plc ("Marconi"). The Marconi Group is the only group of which the Company is a member for which group accounts are prepared. Copies of the accounts of Marconi are available from The Secretary, One Bruton Street, London, W1X 8AQ. Pursuant to the exemption granted by Financial Reporting Standard 8 'Related Party Disclosures', transactions with other undertakings within, and related parties of, the Marconi Group have not been disclosed in these financial statements.

On 8 March 2000, Marconi Corporation plc signed a conditional Share Sale and Purchase Agreement to sell the shareholding in the company's parent company GEC Avery International Limited to Weigh-Tronix UK Limited, a subsidiary of Weigh-Tronix LLC. This sale is expected to be completed shortly.