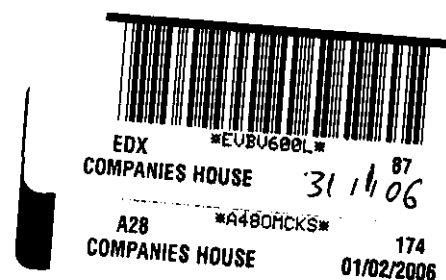


Company Registration No. 725769

**M (THIRTEEN) LIMITED**

**(Formerly Marconi (Thirteen) Limited & telent Communications Limited)**

**REPORT AND FINANCIAL STATEMENTS**  
**Year ended 31 March 2005**



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# **M (THIRTEEN) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

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# **M (THIRTEEN) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

C G Donaldson  
K D Smith

#### **SECRETARY**

M A Skelly

#### **REGISTERED OFFICE**

New Century Park  
PO Box 53  
Coventry  
Warwickshire  
CV3 1HJ

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
Birmingham

# M (THIRTEEN) LIMITED

## DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2005.

### CHANGE OF NAME

On 17 October 2005, the Company changed its name from Marconi (Thirteen) Limited to telent Communications Limited. On 24 January 2006 the Company then changed its name to M (Thirteen) Limited.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company has not traded during the year and did not trade during the previous year. The Directors do not anticipate that the Company will resume trading in the foreseeable future.

### RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 6.

The Directors do not recommend the payment of a dividend (2004: £nil).

### DIRECTORS

The Directors holding office since 1 April 2004 are listed below:

Mr C G Donaldson.

Mr K D Smith (appointed 1 November 2004)

### DIRECTORS' INTERESTS

According to the Register kept by the Company under Section 325 of the Companies Act 1985, none of the Directors holding office at the end of the year had any disclosable interests in the shares of the Company, telent plc (formerly Marconi Corporation plc), the Company's ultimate holding Company as at 31 March 2005, or its subsidiaries, other than those given below.

#### telent plc (formerly Marconi Corporation plc)

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

Name of Director	At 31 March 2004	At 31 March 2005
C G Donaldson	23	23

(b) Options over ordinary shares of 25 pence each in telent plc (formerly Marconi Corporation plc) have been granted under the Employee Share Option Plan and the Sharesave plan:

Name of Director	At 31 March 2004 (or date of appointment)	Lapsed during the year	Exercised during the year	Granted during the year	At 31 March 2005
C G Donaldson	20,000	-	(1,978)	1,124	19,146
K D Smith	17,980	-	(2,021)	1,874	17,833

### AUDITORS

The Company has elected to dispense with the obligation to appoint auditors annually and, accordingly, Deloitte & Touche LLP shall be deemed to be re-appointed as auditors for a further term under the provisions of section 386(2) of the Companies Act 1985.

## **M (THIRTEEN) LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **POST BALANCE SHEET EVENT**

On 25 October 2005, the Marconi Group announced the proposed disposal of its telecommunications equipment and international services business to Ericsson for approximately £1.2 billion. This deal was completed on 23 January 2006, although the effective date of completion is 1 January 2006 under a Memorandum of Agreement. The Disposed Business represents 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 along with the payphones business. Accordingly, following the disposal, the Company shall continue to be non-trading.

By Order of the Board

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

C G Donaldson  
Director

27<sup>TH</sup> JANUARY 2006

## **M (THIRTEEN) LIMITED**

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

United Kingdom company law requires the Directors to prepare financial statements for each financial year 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 the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M (THIRTEEN) LIMITED**

We have audited the financial statements of M (Thirteen) Limited (formerly Marconi (Thirteen) Limited) for the year ended 31 March 2005 which comprise the profit and loss account, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditors**

As described in the statement of Directors' responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Companies Act 1985. We also report if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

We read the Directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

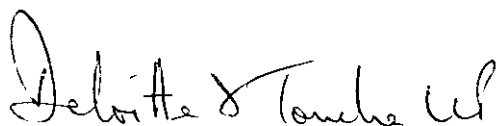
### **Basis of opinion**

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 the Company's affairs at 31 March 2005 and of its profit for the year to 31 March 2005 and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE LLP  
Chartered Accountants and Registered Auditors  
Birmingham

Date: 27/1/06

# M (THIRTEEN) LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2005

	Note	2005 £	2004 £
Administration costs		13	(25)
<b>OPERATING PROFIT/(LOSS)</b>		13	(25)
Bank interest payable		-	-
Bank interest receivable		-	7
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		13	(18)
Tax on profit/(loss) on ordinary activities	3	-	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR TRANSFERRED TO RESERVES</b>		13	(18)
<b>BALANCE AT 1 APRIL</b>		(18)	-
<b>BALANCE AT 31 MARCH</b>		(5)	(18)

There were no recognised gains or losses in the year or in the prior year other than the results set out above. Accordingly, no Statement of Total Recognised Gains or Losses has been prepared.

All results are from discontinued operations.

## RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS Year ended 31 March 2005

	2005 £	2004 £
Profit/(loss) for the financial year	13	(18)
Shareholders' funds at 1 April	82	100
<b>Shareholders' funds at 31 March</b>	95	82



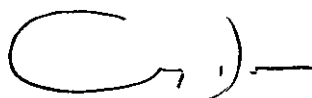
# M (THIRTEEN) LIMITED

## BALANCE SHEET At 31 March 2005

	Note	2005 £	2004 £
<b>CURRENT ASSETS</b>			
Debtors: Amounts owed by immediate parent undertaking		100	100
<b>CREDITORS: Amounts falling due within one year</b>	4	(5)	(18)
<b>NET ASSETS</b>		<u>95</u>	<u>82</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	100	100
Profit and loss account		(5)	(18)
<b>SHAREHOLDERS' FUNDS</b>		<u>95</u>	<u>82</u>

These accounts were approved by the Board of Directors on 27<sup>TH</sup> JANUARY 2006

Signed on behalf of the Board of Directors



CG Donaldson  
Director

# M (THIRTEEN) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2005

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom.

#### Taxation

Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of profits for the year, after taking account of adjustments in respect of prior period liabilities. 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 plc (formerly Marconi Corporation plc) Group. They do not receive any remuneration specifically for their services as Directors of the Company (2004: £nil). The Company had no employees during the year (2004: none). The Auditors' remuneration was borne by another Group company in the current financial year.

### 3. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	2005 £	2004 £
<b>Tax on profit/(loss) on ordinary activities</b>		
UK corporation tax @30% (2004: 30%)	-	-
<b>Reconciliation of current taxation for the year</b>		
Profit/(loss) before tax	13	(18)
Tax charge/(credit) on profit/(loss) at UK statutory rate of 30% (2004:30%)	4	(6)
Tax losses not recognised in current tax		6
Group relief for no payment	(4)	-
<b>Current tax for the year</b>	-	-

### 4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Bank overdraft	-	18
Amounts owed to ultimate parent undertaking	5	-
	5	18

# M (THIRTEEN) LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2005

### 5. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised, issued and fully paid 100 ordinary shares of £1 each	100	100

### 6. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is a party to a group bank offset arrangement whereby positive and negative cash balances in certain telent plc (formerly Marconi Corporation plc) Group companies may be offset. The Company has committed to pay and satisfy to the bank on written demand any money and liabilities owing to it by any of these group companies in the offset agreement and to indemnify the bank against any loss incurred by it in respect of these liabilities. The maximum liability of the Company at any time shall not exceed the cash balance in the Company's bank account, which amounted to £nil (£18 overdrawn at 31 March 2004).

### 7. 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 FRS8 not to disclose transactions with entities that are part of the telent group (formerly Marconi) or investees of the group qualifying as related parties. Balances with these entities are disclosed in the balance sheet on page 7 and in note 4 of these Financial Statements.

### 8. CASH FLOW STATEMENTS

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 cashflow statement under Financial Reporting Standard 1 (Revised).

### 9. ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent and controlling undertaking is telent plc (formerly Marconi Corporation plc).

The immediate parent undertaking is The English Electric Company, Limited.

The telent plc (formerly Marconi Corporation plc) Group is the only group of which the Company is a member for which Group accounts are prepared. Copies of the Group accounts are available from the Secretary at telent plc, New Century Park, P.O. Box 53, Coventry, CV3 1HJ.

### 10. POST BALANCE SHEET EVENT

On 25 October 2005, the Marconi Group announced the proposed disposal of its telecommunications equipment and international services business to Ericsson for approximately £1.2 billion. This deal was completed on 23 January 2006, although the effective date of completion is 1 January 2006 under a Memorandum of Agreement. The Disposed Business represents 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 will retain its UK Telecommunications Services business, its UK and German Value Added Services businesses and its System X product and support business along with the payphones business. Accordingly, following the disposal, the Company shall continue to be non-trading.