

GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1995



GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

Report of the Directors

The Directors present their report and the audited accounts of the Company for the year ended the 31st March, 1995.

Results

The loss for the year after taxation amounted to £987. The Directors do not recommend the payment of a dividend.

Principal Activity and Review of the Company

The principal activity of the Company is the supply and installation of microwave video distribution and urban traffic control systems.

Review of the Company

All of the closing order book and substantially all of the sales in the year were accounted for by the microwave video distribution contract in Hong Kong which is scheduled for completion during the current year. The Company is continuing its efforts to translate its confidence in this product by pursuing other orders worldwide.

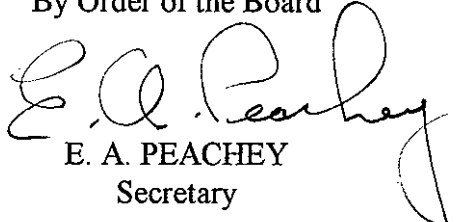
Directors

The present members of the Board are Messrs. E. A. Peachey and I. G. King. Messrs. D. S. Tennet and E. A. Peachey were appointed to the Board of Directors on the 19th April and the 21st July, 1995 respectively.

Messrs. N. W. R. Smith and D. S. Tennet resigned from the Board on the 30th March and the 14th August, 1995 respectively.

According to the Register kept by the Company in accordance with Section 325 of the Companies Act 1985 the persons who were Directors on the 31st March, 1995 had no disclosable interests in the shares of The General Electric Company, p.l.c. or its subsidiaries.

By Order of the Board


E. A. PEACHEY
Secretary

Registered Office:
The Grove, Warren Lane
Stanmore, Middlesex HA7 4LY

22 DEC 1995

AUDITORS' REPORT

TO THE MEMBER OF GEC-MARCONI ELECTRONICS OVERSEAS LIMITED

We have audited the financial statements on pages 3 to 7 which have been prepared under 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 accounts 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 the Company's affairs at 31 March 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


COOPERS & LYBRAND

Chartered Accountants
and Registered Auditors

15/1/96

ACCOUNTS

PROFIT AND LOSS ACCOUNT for the year ended 31 March 1995

	Note	1995 £000	1994 £000
TURNOVER	1	1,164	4,273
LOSS ON ORDINARY ACTIVITY BEFORE TAXATION	1	(1)	(1)
Taxation on loss on ordinary activities	2	-	-
RETAINED LOSS FOR THE FINANCIAL YEAR		(1)	(1)

MOVEMENT ON PROFIT AND LOSS ACCOUNT RESERVE

At 1 April	(32)	(31)
Retained loss for the financial year	(1)	(1)
At 31 March	(33)	(32)

There were no recognised gains or losses other than those reported above. The above results relate entirely to the continuing activities of the Company. There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

ACCOUNTS

BALANCE SHEET

31 March 1995

	Note	1995 £000	1994 £000
Current Assets			
Debtors	3	524	799
Cash		33	1
		<u>557</u>	<u>800</u>
Current Liabilities: amounts falling due within one year			
Creditors	4	(590)	(832)
		<u>(33)</u>	<u>(32)</u>
Net Current Liabilities		(33)	(32)
Total Assets Less Current Liabilities		<u>(33)</u>	<u>(32)</u>
Equity Shareholders' Funds		<u>(33)</u>	<u>(32)</u>
Capital and Reserves			
Called up share capital	5	-	-
Profit and loss account		(33)	(32)
		<u>(33)</u>	<u>(32)</u>

Approved by the Board of Directors on 22 DEC 1995


Director

NOTES TO THE ACCOUNTS

1. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995 £000	1994 £000
Turnover	1,164	4,273
Auditors remuneration	1	1
Other external and operating charges	1,164	4,273
	<u>1,165</u>	<u>4,274</u>
 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	 <u>(1)</u>	 <u>(1)</u>

2. TAXATION

UK Corporation Tax is provided at 33% (1994 33%) on taxable profit. No tax arises as a result of the Company continuing to make losses.

3. DEBTORS

	1995 £000	1994 £000
Amounts falling due within one year		
Trade debtors	524	141
Amounts owed by holding and fellow subsidiary companies	-	658
	<u>524</u>	<u>799</u>

4. CREDITORS

	1995 £000	1994 £000
Amounts falling due within one year		
Bank loans and overdrafts	-	319
Payments received on account	25	454
Trade creditors	1	1
Amounts owed to holding and fellow subsidiary companies	564	57
Corporation Tax	-	1
	<u>590</u>	<u>832</u>

NOTES TO THE ACCOUNTS - continued

5. SHAREHOLDERS' INTEREST

Share Capital

At 1 April 1994 and 31 March 1995

Ordinary Shares of £1 each fully paid,

£

Authorised

100

Issued

100

6. DIRECTORS AND EMPLOYEES

The Directors are full time executives of other Group companies. They do not receive any remuneration for their services as Directors of the Company and it is not practicable to allocate their emoluments for other services.

7. CONTINGENT LIABILITIES

Under a group registration the Company is jointly and severally liable for any Value Added Tax owing by other GEC Group Companies at 31 March 1995.

8. PARENT UNDERTAKING

The Company's ultimate parent Company is The General Electric Company, p.l.c. ("GEC") which is registered in England and Wales. GEC is the parent undertaking of the largest group of undertakings of which the Company is a member for which group accounts are prepared. The parent undertaking of the smallest such group of undertakings of which the Company is a member is GEC-Marconi Limited which is registered in England and Wales. Copies of the accounts of GEC are available from The Secretary, 1 Stanhope Gate, London W1A 1EH.

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£000 1995	£000 1994
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	<u>(1)</u>	<u>(1)</u>
NET REDUCTION TO SHAREHOLDERS' FUNDS	(1)	(1)
SHAREHOLDERS' FUNDS AS AT 1 APRIL	(32)	(31)
SHAREHOLDERS' FUNDS AS AT 31 MARCH	<u>(33)</u>	<u>(32)</u>

ACCOUNTING POLICIES

The accounts have been prepared on the historical cost basis in accordance with applicable accounting standards in the United Kingdom. The Company is a wholly owned subsidiary of The General Electric Company, p.l.c. ("GEC"), consequently the Company is exempt under the terms of Financial Reporting Standard 1 from the requirement to publish its own cash flow statement.

The more important accounting policies, which have been consistently applied, are summarised below to facilitate the interpretation of the financial statements and are in addition to the policies explained in the notes to the accounts.

- a. Turnover. Turnover, excluding VAT, comprises sales to customers outside the GEC Group and arms-length inter-GEC Group sales. The Company records transactions as sales when the delivery of products or performance of services takes place in accordance with the terms of sale.
- b. Taxation. Taxation on profit on ordinary activities is that which has been paid or becomes payable in respect of the profits of the year. Deferred taxation is provided on all timing differences which are expected to reverse in the future at the rate of tax which is anticipated will apply in the year of assessment.