

**COMSAT RSI INTERNATIONAL LIMITED**

**Report and Financial Statements**

**31 December 1997**

**Deloitte & Touche  
63 High Street  
Crawley  
West Sussex  
RH10 1BQ**



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63 High Street  
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Draft of 20 May 1998 - 13:15

**REPORT AND FINANCIAL STATEMENTS 1997**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

K A Hayward

**SECRETARY**

A W Wilkinson

**REGISTERED OFFICE**

Communication House  
Knight Road  
Strood  
Rochester  
Kent  
ME2 2AX

**BANKERS**

National Westminster Bank plc  
PO Box 192  
116 Fenchurch Street  
London  
EC3M 5AN

**SOLICITORS**

Phillips Buck  
Fitzalan House  
Fitzalan Road  
Cardiff  
CF2 1XL

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
63 High Street  
Crawley  
West Sussex  
RH10 1BQ

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 31 December 1997.

## **ACTIVITIES**

The principal activity of the company is that of a holding company.

## **REVIEW OF DEVELOPMENTS**

The profit and loss account for the year is set out on page 6.

## **DIVIDENDS**

The directors recommend that a final dividend for the year ended 31 December 1997 of 21.388752 pence (1996 £nil) per ordinary share in the company be paid to each member whose name appears in the Register of Members at close of business on 22 April 1998.

## **DIRECTORS AND THEIR INTERESTS**

The directors of the company during the year and at 31 December 1997 were:

K A Hayward	
R D Thomas (USA)	(Appointed 03.03.1997)
M A Holman (USA)	(Appointed 03.03.1997)

None of the directors had any interest in the shares of the company or other UK group companies at 1 January 1997 or 31 December 1997.

## **AUDITORS**

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



A W Wilkinson  
Secretary



## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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;
- 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 them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



## Chartered Accountants

South East Regional Office  
Deloitte & Touche  
63 High Street  
Crawley  
West Sussex RH10 1BQ

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International + 44 1293 510112  
Facsimile (Gp. 3): 01293 533493



INVESTOR IN PEOPLE

## AUDITORS' REPORT TO THE MEMBERS OF

### COMSAT RSI INTERNATIONAL LIMITED

We have audited the financial statements on pages 6 to 10 which have been prepared under the accounting policies set out on page 8.

#### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 as at 31 December 1997 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  
Crawley

3 June 1998

**AUDITORS' REPORT TO THE DIRECTORS OF  
COMSAT RSI INTERNATIONAL LIMITED  
PURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985**

We have examined the financial statements of the company and its subsidiaries for the year ended 31 December 1997.

**Basis of opinion**

The scope of our work for the purposes of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

**Opinion**

In our opinion the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.

DELOITTE & TOUCHE  
Chartered Accountants and  
Registered Auditors  
Crawley



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 1997**

	Note	1997 £	1996 £
<b>TURNOVER</b>	2	-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	-
Income from group undertakings		3,080,063	-
<b>OPERATING PROFIT</b>	4	3,080,063	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		3,080,063	-
Tax charge on result on ordinary activities		-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		3,080,063	-
Dividends proposed	5	(3,079,360)	-
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		703	-
Profit and loss account brought forward		(695)	(695)
Profit and loss account carried forward		8	(695)

All results derive from continuing operations. There are no further recognised gains or losses for the current financial year or previous financial period other than as stated in the profit and loss account. The retained profit for the year represents the change in shareholders' funds.

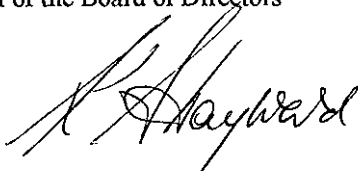
**BALANCE SHEET**  
**31 December 1997**

	Note	1997 £	1996 £
<b>FIXED ASSETS</b>			
Investments	6	<u>143,971</u>	<u>143,971</u>
<b>CURRENT ASSETS</b>			
Debtors	7	3,089,280	9,217
<b>CREDITORS: amounts falling due within one year</b>	8	<u>3,089,272</u>	<u>9,912</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>8</u>	<u>(695)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>143,979</u>	<u>143,276</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	143,971	143,971
Profit and loss account		<u>8</u>	<u>(695)</u>
<b>Total equity shareholders' funds</b>		<u>143,979</u>	<u>143,276</u>

These financial statements were approved by the Board of Directors on *28 May 1998*.

Signed on behalf of the Board of Directors

K A Hayward  
Director





**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**

**1. ACCOUNTING POLICIES**

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

**Accounting convention**

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

**Investments**

Investments held as fixed assets are stated at cost less any provision for permanent diminution in value.

**2. TURNOVER**

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

With the exception of the directors, the company had no direct employees during the year and they did not receive any remuneration (1996 - £nil).

**4. OPERATING PROFIT**

The auditors' remuneration amounting to £700 (1996 - £650) is paid by the ultimate parent company.

**5. DIVIDENDS**

	1997 £	1996 £
Proposed - ordinary shares 21.388752 pence (1996 £nil) per ordinary share	3,079,360	-

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 1997**

**6. INVESTMENTS HELD AS FIXED ASSETS**

	1997 £	1996 £
Shares in subsidiary companies at cost	<u>143,971</u>	<u>143,971</u>

All the above investments are unlisted.

Subsidiary	Activity	Portion of ordinary shares held	Profit/(loss) for the year ended 31 December 1997 £
CSA Limited	Design, manufacture and installation of professional antenna systems for the international communications market.	100%	1,687,457
PG Technology Limited	Manufacture and distribution of optical electronic measuring instruments for precision engineering.	100%	158,451
C&S Antennas Limited	Dormant.	98.2%	-

All the above subsidiary companies are registered and operate in England and Wales. The remaining portion of the ordinary shares of C&S Antennas Limited is held by CSA Limited.

The company has taken advantage of the exemptions conferred by Section 248 of the Companies Act 1985 as, with the exception of CSA Limited which qualifies as a medium-sized company, all companies in the group qualify as small companies in accordance with Section 247 of the Companies Act 1985. These accounts therefore present information about COMSAT RSI International Limited as a company and not as a group.

**7. DEBTORS**

	1997 £	1996 £
Dividends receivable	3,080,063	-
Cash at bank	3,227	3,227
Amounts owed by parent company	5,990	5,990
	<u>3,089,280</u>	<u>9,217</u>



**NOTES TO THE ACCOUNTS**

**Year ended 31 December 1997**

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1997 £	1996 £
Dividends payable	3,079,360	-
Amounts owed to subsidiary companies	9,779	9,779
Other taxes and social security	133	133
	<u>3,089,272</u>	<u>9,912</u>

**9. CALLED UP SHARE CAPITAL**

	1997 £	1996 £
<b>Authorised</b>		
15,000,000 Ordinary Shares of 1p each	<u>150,000</u>	<u>150,000</u>
<b>Allotted and fully paid</b>		
14,397,135 Ordinary Shares of 1p each	<u>143,971</u>	<u>143,971</u>

**10. ULTIMATE PARENT COMPANY**

The ultimate parent company is COMSAT Corporation, a company incorporated in the USA and copies of that company's financial statements can be obtained from 6560 Rock Spring Drive, Bethesda, MD 20817.

**11. CONTINGENT LIABILITIES**

Under a composite cross guarantee dated 6 February 1992 the company guaranteed the bank balances of all other trading companies of COMSAT Corporation which are incorporated in Great Britain. The total balances guaranteed at 31 December 1997 amounted to £nil (1996 - £nil).