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Company Number: 2984211

GPT Special Project Management Limited

Report and financial statements

31 March 1996



GPT Special Project Management Limited

Report of the Directors

The Directors present their Report and the audited Financial Statements for the period from 24 October 1994 to 31 March 1996.

Incorporation

The company was incorporated on 24 October 1994 and commenced trading on 13 March 1995.

Principal activities and business review

The principal activity of the Company is to provide the operation and maintenance of communication systems and associated customer training in the Middle East.

Results and Dividends

The profit on ordinary activities before taxation for the period was £907,000. Taxation on profit amounted to £300,000 and the retained profit for the period was £607,000.

No dividend is proposed.

Directors

The directors holding office during the period are listed below:

| | |
|------------------|--------------------------------------------------------|
| Mr A R Cobbe | (appointed 14 November 1994) |
| Mr P O Gershon | (appointed 24 October 1994, resigned 14 November 1994) |
| Mr P N Glanfield | (appointed 9 November 1994) |
| Mr S Hare | (appointed 20 June 1995) |
| Mr M W J Parton | (appointed 24 October 1994, resigned 20 June 1995) |

Directors' interests

None of the directors had any beneficial interest, other than in the ordinary course of business, in any contract to which the Company was a party during the period.

According to the Company's Register of Directors' Interests, no director of the Company, nor any member of his family, as defined by the Companies Act 1985, had any interest in the shares of the Company.

No director who was not also a director of the Company's holding company held, on 31 March 1996, any interest in, or was granted or exercised, during the period, any right to subscribe for shares in or debentures of The General Electric Company, p.l.c. ("GEC") or its subsidiary companies, except as shown below:

GPT Special Project Management Limited

Report of the Directors (*continued*)

Directors' interests (*continued*)

| | The GEC Managers' 1984 Share Option Scheme | | |
|---------------|-------------------------------------------------------------|----------------|----------------|
| | 31 March 1996 | Exercised | At appointment |
| P N Glanfield | 48,000 | 23,000 | 71,000 |
| | The GEC Employee Savings - Related Share Option Scheme | | |
| | 31 March 1996 | Exercised | At appointment |
| P N Glanfield | 5,184 | - | 5,184 |
| | The GEC Employee 1992 Savings - Related Share Option Scheme | | |
| | 31 March 1996 | Granted | At appointment |
| P N Glanfield | 5,899 | 2,928 | 2,971 |
| | Ordinary shares (beneficial) | | |
| | 31 March 1996 | At appointment | |
| P N Glanfield | 2,300 | - | |

The options are exercisable normally in the years 1996 to 2004 at subscription prices between 138p - 286p per share.


Charitable and political donations

There were no charitable or political donations made during the period.

Auditors

A resolution to re-appoint the auditors, Coopers & Lybrand, will be proposed at the Annual General Meeting.

By order of the Board.



G G Daniel
Secretary

26 July 1996

GPT Special Project Management Limited

Auditors' report to the members of GPT Special Project Management Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and 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 financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for the financial period 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 information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 March 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers and Lybrand

Chartered Accountants and Registered Auditors
Birmingham

1 August 1996

GPT Special Project Management Limited

Profit and loss account

For the period from 24 October 1994 to 31 March 1996

| | <i>Note</i> | 1996 £000 |
|------------------------------------------------------|-------------|-------------------|
| Turnover - Continuing operations | | 14,948 |
| Staff costs | 1 | (5,037) |
| Other external and operating charges | | (8,994) |
| Auditors' remuneration | | <u>(10)</u> |
| Profit on ordinary activities before taxation | | 907 |
| Taxation on profit on ordinary activities | 2 | <u>(300)</u> |
| Retained profit for the period | 7 | <u><u>607</u></u> |

Movements in reserves are shown in note 7 on page 8.

The profit and loss account relates solely to continuing operations.

The Company had no recognised gains and losses apart from the profit for the period.

Reconciliation of movement in equity shareholders' funds

| | £000 |
|-----------------------|-------------------|
| At 24 October 1994 | - |
| Profit for the period | <u>607</u> |
| At 31 March 1996 | <u><u>607</u></u> |

GPT Special Project Management Limited

Balance sheet

As at 31 March 1996

| | Note | 1996 £000 |
|----------------------------------------------------------------|------|-------------------|
| Current assets | | |
| Debtors | 3 | 1,484 |
| Cash at bank and in hand | | <u>1,143</u> |
| | | 2,627 |
| Creditors: amounts falling due within one year | 4 | <u>(1,934)</u> |
| Net current assets | | 693 |
| Creditors: amounts falling due after more than one year | 5 | (86) |
| | | <u> </u> |
| Net assets | | <u>607</u> |
| Capital and reserves | | |
| Called up share capital | 6 | - |
| Profit and loss account | 7 | <u>607</u> |
| | | <u> </u> |
| Equity shareholders' funds | | <u>607</u> |

The Financial Statements were approved by the Directors on 26 July 1996 and were signed on their behalf by:



S Hare
Director

GPT Special Project Management Limited

Principal accounting policies

The Financial Statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

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

(b) Turnover

Turnover comprises the sales value, excluding value added tax, of goods and services supplied.

(c) Foreign currency

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising are taken to the profit and loss account.

(d) Pension schemes

Eligible employees are members of one of The General Electric Company, p.l.c. pension schemes. Based on recommendations by independent actuaries, the rates of employee and company contributions are intended, in respect of each year, to provide sufficient funds to meet future benefits relating to that year's service. Contributions, the Company's share of which is charged against profits for the year, are held in trustee-administered funds independent of the Company's finances.

GPT Special Project Management Limited

Notes to the financial statements *(continued)*

1. Directors and employees

1996

Employees

The average weekly number of employees employed by the Company during the period was:

Number

Overseas

427

Staff costs for the above persons were:

£000

Wages and salaries

4,872

Social security costs

152

Other pension costs

13

5,037

Directors

There was no remuneration paid to the directors.

2. Taxation on profit on ordinary activities

1996

£000

United Kingdom taxation:

Corporation tax at 33%

300

3 Debtors

1996

£000

Amounts falling due within one year

Trade debtors

1,415

Other debtors

69

1,484

GPT Special Project Management Limited

Notes to the financial statements (*continued*)

4. Creditors: amounts falling due within one year

| | 1996 £000 |
|------------------------------------------|--------------|
| Advance payments from customers | 253 |
| Trade creditors | 413 |
| Amounts owed to parent undertaking | 890 |
| Amounts owed to other group undertakings | 79 |
| Corporation tax | 299 |
| | <u>1,934</u> |

5. Creditors: amounts falling after more than one year

| | 1996 £000 |
|---------------------------------|--------------|
| Advance payments from customers | <u>86</u> |

6. Share capital

| | 1996 £ |
|-------------------------------------------|--------------|
| <i>Authorised</i> | <u>1,000</u> |
| 1,000 Ordinary Shares of £1 | |
| <i>Allotted, called up and fully paid</i> | |
| 2 Ordinary shares of £1 each | <u>2</u> |

7. Profit and loss account

| | £000 |
|--------------------------------|------------|
| 24 October 1994 | - |
| Retained profit for the period | <u>607</u> |
| 31 March 1996 | <u>607</u> |

8. Pensions

The Company is a subsidiary of The General Electric Company, p.l.c. ("GEC") and all its employees who are members of a pension plan are members of The GEC Plan ("the Plan"), the principal pension plan of the GEC Group. The Plan is funded and is of the "defined benefit" type. Particulars of the most recent actuarial valuation, which was at 5 April 1994, are disclosed in the report and accounts of GEC for the year ended 31 March 1996.

GPT Special Project Management Limited

Notes to the financial statements *(continued)*

8. **Pensions** *(Continued)*

The pensions cost charge of the Company in respect of employees who are members of the Plan consists of employers' contributions payable which are similar across the Group as a whole as a percentage of pensionable earnings. Based on the advice of a qualified actuary, contributions amounting to £13,000 calculated at 6 per cent. of members' pensionable pay were made for the period ended 31 March 1996.

9. **Cash flow statement**

A cash flow statement has not been prepared because the Company is a wholly owned subsidiary of GPT Limited, which in turn is a wholly owned subsidiary of GPT Holdings Limited within whose consolidated cash flow statement the cash flows of the Company are included.

10. **Parent undertakings**

The Company's ultimate holding company is The General Electric Company p.l.c. ("GEC"). GEC is the parent undertaking of the largest group of undertakings of which the company is a member, for which consolidated financial statements are prepared. The parent company of the smallest group of undertakings for which consolidated financial statements are prepared is GPT Holdings Limited.

Copies of the accounts of GEC are available from The Secretary, 1 Stanhope Gate, London W1A 1EH.