

Number 2322882

DELTA CABLES HOLDINGS LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

1996

*Together with the accounts of the  
Parent company, Delta plc, attached  
hereto.*



DELTA CABLES HOLDINGS LIMITED

DIRECTORS' REPORT - 1996

FINANCIAL YEAR ENDED 28 DECEMBER 1996

1. DIRECTORS

(a) At date of this Report :  
P.A.C. Bourne  
R. Watts

(b) Changes from previous year end to the date of Report :  
None

(c) Retiring and seeking re-election :  
None

2. RESULT AND DIVIDENDS

The results of the year ended 28 December 1996 are shown in the profit and loss account on page 4.

The loss for the year, after taxation was £5,453,975.

The directors do not recommend the payment of a dividend.

3. ACTIVITY AND DEVELOPMENT OF THE BUSINESS

(a) Activity of the business

The Company acts as an investment holding company.

(b) Principal activities of subsidiary companies

The manufacture and distribution of electric cables together with the processing and distribution of non-ferrous metals.

4. FUTURE DEVELOPMENTS

The Company will continue to act as an investment holding company.

DELTA CABLES HOLDINGS LIMITED

DIRECTORS' REPORT - 1996

FINANCIAL YEAR ENDED 28 DECEMBER 1996

5. DIRECTORS' RESPONSIBILITIES

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 and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to

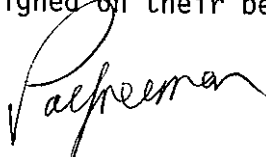
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the 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.

6. AUDITORS

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

This report was approved by the Board of Directors on 5 March, 1997 and is signed on their behalf by :

  
A.W.H. PALFREEMAN  
Secretary

1, Kingsway,  
London WC2B 6XF

5 March 1997

REPORT OF THE AUDITORS

TO THE MEMBERS OF DELTA CABLES HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 11

**Respective responsibilities of directors and auditors**

As described on page 2, 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.

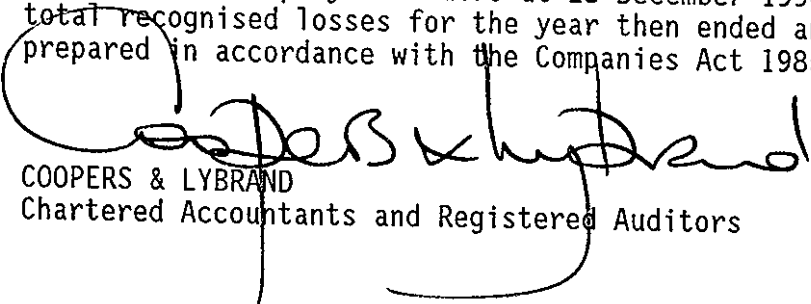
**Basis of Opinion**

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 at 28 December 1996 and of its loss and total recognised losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COOPERS & LYBRAND  
Chartered Accountants and Registered Auditors

London

5 March 1997

DELTA CABLES HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 DECEMBER 1996

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
TURNOVER		-	-
Cost of sales		-	-
		<hr/>	<hr/>
GROSS PROFIT		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
OPERATING PROFIT		-	-
Amounts written off investments		<u>(5,453,975)</u>	<u>(5,060,273)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,453,975)	(5,060,273)
TAXATION		<hr/> -	<hr/> -
LOSS FOR THE FINANCIAL YEAR		<u>£ (5,453,975)</u>	<u>£ (5,060,273)</u>
RETAINED LOSS FOR THE YEAR	6	<u>£ (5,453,975)</u>	<u>£ (5,060,273)</u>

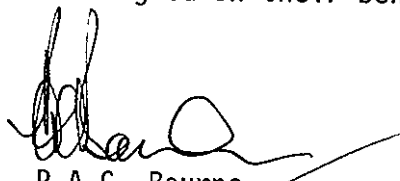
There is no material difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

The audit fee has been borne by another company.

DELTA CABLES HOLDINGS LIMITED  
BALANCE SHEET 28 DECEMBER 1996

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
FIXED ASSETS			
Investments - Subsidiary undertakings 3 & 7		<u>87,229,894</u>	<u>92,683,869</u>
CURRENT ASSETS			
Debtors		-	-
CREDITORS - amounts falling due within one year		-	-
NET CURRENT ASSETS			
		-	-
TOTAL ASSETS LESS CURRENT LIABILITIES		87,229,894	92,683,869
CREDITORS - amounts falling due after more than one year			
Other creditors	4	41,435,142	41,435,142
PROVISION FOR LIABILITIES AND CHARGES		-	-
NET ASSETS		<u>£ 45,794,752</u>	<u>£51,248,727</u>
Represented by :			
CAPITAL AND RESERVES			
Called up share capital	5	56,309,000	56,309,000
Profit and loss account	6	(10,514,248)	(5,060,273)
		<u>£45,794,752</u>	<u>£51,248,727</u>

These accounts were approved by the Board of Directors on 5 March 1997 and are signed on their behalf by :

  
P.A.C. Bourne  
Director

DELTA CABLES HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 28 DECEMBER 1996

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
LOSS FOR THE FINANCIAL YEAR	(5,453,975)	(5,060,273)
Other recognised gains and losses for the year:		
Unrealised (loss)/gain on revaluation of investments in Group companies		- (5,103,211)
TOTAL RECOGNISED LOSSES AND GAINS FOR THE YEAR	<u>£ (5,453,975)</u>	<u>£(10,163,484)</u>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

LOSS FOR THE FINANCIAL YEAR	(5,453,975)	(5,060,273)
Other recognised losses and gains for the year	<u>-</u>	<u>(5,103,211)</u>
NET DECREASE/INCREASE IN SHAREHOLDERS' FUNDS FOR THE YEAR	(5,453,975)	(10,163,484)
Opening Shareholders' Funds	<u>51,248,727</u>	<u>61,412,211</u>
Closing Shareholders' Funds	<u>£45,794,752</u>	<u>£51,248,727</u>

# DELTA CABLES HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28 DECEMBER 1996

### 1. ACCOUNTING POLICIES

#### (i) Accounting convention

The accounts are prepared in accordance with the historical cost accounting rules modified to include the revaluation of certain assets.

#### (ii) Accounting Standards

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

### 2. DIRECTORS' EMOLUMENTS

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
(a) Aggregate emoluments :		
Emoluments and pension contributions	<u>£ NIL</u>	<u>£ NIL</u>
(b) Paid by subsidiary undertakings	<u>£130,453</u>	<u>£120,659</u>
(c) Chairman's emoluments	<u>£ NIL</u>	<u>£ NIL</u>
(d) Emoluments of highest paid director	<u>£ 93,623</u>	<u>£ 89,126</u>
(e) The number of directors (including the Chairman and the highest paid director) whose emoluments are within each scale, is as follows : -		

	<u>Number</u>
£ 5,001 to £10,000	- 1
£10,001 to £15,000	1 -
£85,001 to £90,000	- 1
£90,001 to £95,000	1 -

Mr. Watts is a director of Delta Group Ltd and his emoluments are disclosed in the accounts of Delta Group Ltd. These emoluments, which are paid by Delta plc, or a subsidiary company, are in respect of services to the Delta Group as a whole, and as a result it is not possible to identify separately that portion of emoluments which relates specifically to services provided to the Company.

### 3. INVESTMENTS

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Subsidiary Undertakings		
Shares in subsidiary company at valuation	81,104,973	86,558,948
Loans to subsidiary companies	<u>6,124,921</u>	<u>6,124,921</u>
	<u>£ 87,229,894</u>	<u>£ 92,683,869</u>



# DELTA CABLES HOLDINGS LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 3. INVESTMENTS (Continued)

	<u>1996</u> £	<u>1995</u> £
Shares at valuation at 30 December 1995	86,558,948	96,722,432
Revaluation of investment	<u>(5,453,975)</u>	<u>(10,163,484)</u>
At 28 December 1996	<u>£ 81,104,973</u>	<u>86,558,948</u>

The book value of shares is equivalent to the issued share capital and reserves of the subsidiary company.

In the opinion of the directors the aggregate value of the Company's assets consisting of shares in and amounts receivable from Group companies is not less than the aggregate amount at which the investments are stated in the balance sheet. Particulars of investments in Group companies are given in note 7.

The Company is a wholly owned subsidiary of Delta Plc and in accordance with Section 228(2) of the Companies Act 1985, consolidated accounts have not been prepared.

The cost of shares in Group companies is £93,588,815 (1995 £93,588,815).

The loans to the subsidiary companies are interest free and repayable on demand. There is no intention to demand repayment in the foreseeable future.

### 4. OTHER CREDITORS

	<u>1996</u> £	<u>1995</u> £
Amounts due after more than one year		
Amounts owed to Group companies	<u>£41,435,142</u>	<u>£41,435,142</u>

### 5. CALLED UP SHARE CAPITAL

	<u>Ordinary shares</u> £
Authorised	
At 30 December 1995 and 28 December 1996	
56,309,000 Ordinary Shares of £1 each	<u>£56,309,000</u>
Called up share capital - allotted, issued and fully paid	
At 30 December 1995 and 28 December 1996	
56,309,000 Ordinary Shares of £1 each	<u>£56,309,000</u>

DELTA CABLES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (Continued)

6. RESERVES

	<u>Profit &amp; Loss Account</u> £
Balance at 30 December 1995	(5,060,273)
Transfer to profit & loss account	<u>(5,453,975)</u>
Balance at 28 December 1996	<u>£(10,514,248)</u>

7. PARTICULARS OF INVESTMENTS

In Group companies

- (i) Owned directly by the Company  
(100% unless otherwise stated)  
Registered in Great Britain.

Name of Group company

Delta Crompton Holdings Limited

- (ii) Owned indirectly by the Company.  
(100% unless otherwise stated)  
All registered in Great Britain (unless otherwise stated)

Name of Group company

Group company owning shares

Delta Crompton Cables Limited	Delta Crompton Holdings Limited
Aluminium Wire & Cable Company Limited	
Cables and Plastics Limited	Delta Crompton Cables Limited
CP Cables Limited	Delta Crompton Cables Limited
Delta Cables Limited	Delta Crompton Cables Limited
Delta Cables Materials Limited	Delta Crompton Cables Limited
Delta Crompton Cables Limited (incorporated in the Republic of Ireland)	Delta Crompton Cables Limited
Delta Energy Cables Limited	Delta Crompton Cables Limited
Delta Enfield Cables Limited	Delta Crompton Cables Limited
Delta Enfield Cables (Scotland) Limited	
Delta Enfield Metals Limited	Delta Crompton Cables Limited
Delta Enfield Wires Limited	Delta Crompton Cables Limited
Delta Special Cables Limited	Delta Crompton Cables Limited
Delta Welding Equipment Limited	Delta Crompton Cables Limited
Enfield Winding Wires Limited	Delta Crompton Cables Limited
William Reay (Belfast) Limited	Delta Crompton Cables Limited

DELTA CABLES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (Continued)

8. CONTINGENT LIABILITIES

The Company is registered under the Group registration for Value Added Tax and is jointly liable for the amount of tax £2,812,924 at 28 December 1996 in respect of the ultimate parent company and certain UK Group companies.

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under FRS8 para 3(c) and therefore transactions with Group subsidiaries are not disclosed.

The immediate parent and ultimate parent company is Delta Plc.

10. DIRECTORS' SHARE AND DEBENTURE INTERESTS AT YEAR END

	<u>28.12.1996</u>	<u>31.12.1995</u> (or at date of appointment)
(a) In the Company - all directors	NIL	NIL
(b) In Delta plc.		
<u>Name</u>	<u>Class of Holding</u>	
P.A.C. Bourne	Ordinary shares	5,000
R. Watts	Ordinary shares	35,624

The following directors have options under the Senior Executive Share Option Schemes to purchase the following number of Ordinary shares:

P.A.C. Bourne	12,200	12,200
R. Watts	84,600	84,600

The following directors have options under the Long Term Incentive Plan in respect of the following number of Ordinary shares :

P.A.C. Bourne	5,835	3,568
R. Watts	11,364	6,628

During the year, P.A.C. Bourne and R. Watts were granted options over 2,267 Ordinary shares and 4,736 Ordinary shares respectively pursuant to the rules of the Delta plc. Long Term Incentive Plan.

Under the savings-related Share Option Schemes, R. Watts has options to purchase 3,978 Ordinary shares (31.12.1995 - 3,978).

DELTA CABLES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (Continued)

11. GROUP ACCOUNTS AND ULTIMATE PARENT COMPANY

Group accounts are drawn up by the ultimate parent company, Delta plc. Copies of the consolidated financial statements of Delta plc. are available to the public at the registered office, 1 Kingsway, London, WC2B 6XF and copies can be obtained from this address.

