

Number 2322882

DELTA CABLES HOLDINGS LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

1999



DELTA CABLES HOLDINGS LIMITED
DIRECTORS' REPORT – 1999
FINANCIAL YEAR ENDED 31 DECEMBER 1999

1. DIRECTORS

(a) At date of this Report:

J P Narciso (appointed 1.4.99)
M D Smith (appointed 1.4.99)

(b) Changes from previous year end to the date of Report:

P A C Bourne (resigned 31.3.99)
R Watts (resigned 31.3.99)

(c) Retiring and seeking re-election

None

(d) The interests of the directors in the shares of the Company and other Group companies are disclosed in note 10 to the accounts.

2. RESULT AND DIVIDENDS

The results of the year ended 31 December 1999 are shown in the profit and loss account on page 4.

The profit for the year after taxation was £2,888k (1998: loss £28,253k).

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

On 2 March 1999, the principal trading subsidiary entered into an agreement with Draka UK Limited, whereby the remaining manufacturing and distribution of electric cables business operations (excluding trade debtors) were sold. With effect from the same date, the principal trading subsidiary sold its remaining activities, assets and liabilities to a fellow group company. The principal trading subsidiary also agreed to act as agent for that company in respect of those remaining activities. That agency arrangement terminated with effect from 31 December 1999 when that subsidiary agreed to act as agent for another fellow group company.

DELTA CABLES HOLDINGS LIMITED
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FINANCIAL YEAR ENDED 31 DECEMBER 1999

4. FUTURE DEVELOPMENTS

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

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; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

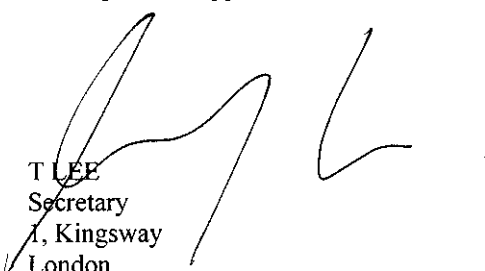
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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 PricewaterhouseCoopers as auditors to the Company will be proposed at a General Meeting of the company.

On 21 March 2000 the company passed an elective resolution to dispense with the obligation to appoint auditors annually.

This report was approved by the Board of Directors on 18 October 2000, and is signed on their behalf by:



T LEE
Secretary
1, Kingsway
London
WC2B 6XF

18 October 2000

REPORT OF THE AUDITORS
TO THE MEMBERS OF DELTA CABLES HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on pages 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom Accounting Standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 the United Kingdom Companies Act. We also report to you, 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

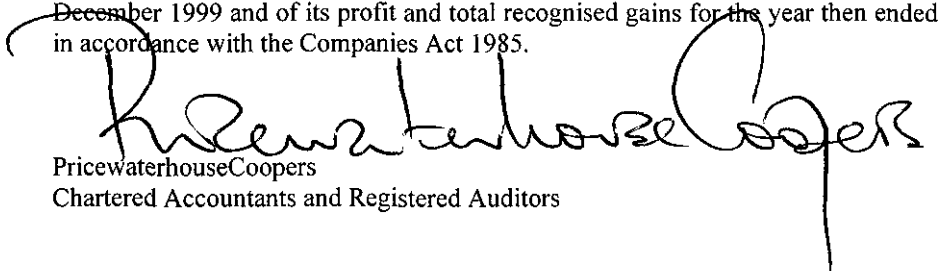
Basis of opinion

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 December 1999 and of its profit and total recognised gains for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

London

18 October 2000

DELTA CABLES HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

	Notes	1999 £'000s	1998 £'000s
TURNOVER		-	-
Cost of sales		-	-
GROSS PROFIT		-	-
Administrative expenses		-	-
OPERATING PROFIT		-	-
Amounts written back/(off) investments		2,888	(28,253)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		2,888	(28,253)
Taxation		-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		2,888	£(28,253)
RETAINED PROFIT/(LOSS) FOR THE YEAR	6	2,888	£(28,253)

There were no recognised gains or losses other than those recognised in the profit and loss account and therefore no statement of total recognised gains and losses has been presented.

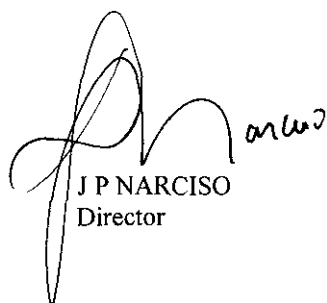
There is no material difference between the profit/(loss) on ordinary activities before taxation and the retained profit/(loss) for the year stated above, and their historical cost equivalents.

The audit fee has been borne by another company.

DELTA CABLES HOLDINGS LIMITED**BALANCE SHEET AS AT 31 DECEMBER 1999**

	Notes	1999 £'000s	1998 £'000s
FIXED ASSETS			
Investments-Subsidiary Undertakings	3 & 7	47,247	44,359
CURRENT ASSETS			
Debtors		-	-
CREDITORS – amounts falling due within one year		-	-
NET CURRENT ASSETS		-	-
TOTAL ASSETS LESS CURRENT LIABILITIES		47,247	44,359
CREDITORS			
Amounts falling due after more than one year			
Other creditors	4	41,435	41,435
PROVISION FOR LIABILITIES AND CHARGES		-	-
NET ASSETS		5,812	2,924
Represented by:			
CAPITAL AND RESERVES			
Called up share capital	5	56,309	56,309
Profit and loss account	6	(50,497)	(53,385)
EQUITY SHAREHOLDERS' FUNDS		5,812	2,924

These accounts were approved by the Board of Directors on 18 October 2000 and are signed on their behalf by:



J P NARCISO
Director

DELTA CABLES HOLDINGS LIMITED
RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1999

	<u>1999</u> £'000s	<u>1998</u> £'000s
PROFIT/(LOSS)FOR THE FINANCIAL YEAR	<u>2,888</u>	<u>(28,253)</u>
NET INCREASE/(DECREASE) IN SHAREHOLDERS' FUNDS FOR THE YEAR	2,888	(28,253)
Opening Shareholders' Funds	<u>2,924</u>	<u>31,177</u>
CLOSING SHAREHOLDERS' FUNDS	<u><u>5,812</u></u>	<u><u>2,924</u></u>

DELTA CABLES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

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. FRS 12 "Provisions, Contingent Liabilities and Contingent Assets" has been adopted with effect from the beginning of 1999. The effect of FRS 12 on the figures is not material and, therefore, these figures have not been restated.

2. DIRECTORS' EMOLUMENTS

	<u>1999</u> <u>£'000s</u>	<u>1998</u> <u>£'000s</u>
(a) Aggregate emoluments	<u>NIL</u>	<u>278</u>
(b) Highest paid director		
Aggregate emoluments	<u>NIL</u>	<u>179</u>
Defined benefit pension scheme:		
Accrued pension at end of year	<u>NIL</u>	<u>87</u> pa

During the year ended 31 December 1999 the directors received no emoluments and accrued no pension in their capacity as directors of the company.

DELTA CABLES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (Continued)

3. INVESTMENTS

	<u>1999</u> £'000s	<u>1998</u> £'000s
Subsidiary undertaking		
Shares in subsidiary company at valuation	41,122	38,234
Loan to subsidiary companies	6,125	6,125
	<u>47,247</u>	<u>44,359</u>
Shares at valuation:		
At 2 January 1999	38,234	66,487
Revaluation of investment	2,888	(28,253)
At 31 December 1999	<u>41,122</u>	<u>38,234</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 subsidiary companies is £93,589k (1998 - £93,589k).

The loan to the subsidiary company is interest free and repayable on demand. There is no intention to demand repayment in the foreseeable future.

4. OTHER CREDITORS

	<u>1999</u> £'000s	<u>1998</u> £'000s
Amounts due after more than one year		
Amounts owed to Group company	<u>41,435</u>	<u>41,435</u>

DELTA CABLES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (Continued)

5. SHARE CAPITAL

	<u>Ordinary Shares</u> £'000s
Authorised: At 2 January 1999 and 31 December 1999 56,309,000 Ordinary shares of £1 each	 <u>56,309</u>
Called up share capital: Allotted, issued and fully paid At 2 January 1999 and 31 December 1999 56,309,000 Ordinary shares of £1 each	 <u>56,309</u>

6. RESERVES

	<u>Profit and</u> <u>Loss Account</u> £'000s
Balance at 2 January 1999	(53,385)
Retained profit for the year	<u>2,888</u>
Balance at 31 December 1999	<u>(50,497)</u>

DELTA CABLES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (Continued)

7. PARTICULARS OF INVESTMENTS

In Group companies

- (i) Controlled directly by the Company:
(100% unless otherwise stated)

Registered in Great Britain

Name of Group company

Delta (DCC) Holdings Limited

- (ii) Controlled 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 (DCC) Limited
Aluminium Wire & Cable Company Limited.
Cables and Plastics Limited
CP Cables Limited
Delta Cables Limited
Delta Cables Materials Limited
Delta Crompton Cables Limited (incorporated in the
Republic of Ireland) Dissolved 03.03.00
Delta Energy Cables Limited
Delta Enfield Cables Limited
Delta Enfield Cables (Scotland) Limited
Delta Enfield Metals Limited
Delta Enfield Wires Limited
Delta Special Cables Limited
Delta Welding Equipment Limited
Enfield Winding Wires Limited
William Reay (Belfast) Limited

Delta (DCC) Holdings Limited
Delta (DCC) Limited
Delta (DCC) Limited
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Delta (DCC) Limited
Delta (DCC) Limited
Delta (DCC) Limited
Delta (DCC) Limited
Delta (DCC) Limited

8. CONTINGENT LIABILITIES

The Company is registered under the Group registration for Value Added Tax and is jointly liable for the amount of tax £1,466k at 31 December 1999 (1998 - £2,304k) in respect of the ultimate parent company and certain UK Group companies.

DELTA CABLES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS (Continued)

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted under paragraph 3 (c) of FRS 8 and has not disclosed any transactions with other Group companies or associated companies.

The immediate parent company and the ultimate parent company is Delta plc.

10. DIRECTORS' SHARE AND DEBENTURE INTERESTS AT THE YEAR END

	<u>31.12.99</u>	<u>At date of appointment</u>
In the Company – All Directors	Nil	Nil

In Delta plc:

<u>Director</u>	<u>Class of holding</u>	<u>31.12.99</u>	<u>At date of appointment</u>
J P Narciso	ordinary	6685	4455
M D Smith	ordinary	8289	8289

Name	Option Scheme	As at date of appointment	Granted during period	Exercised during period	Lapsed during period	As at 31 December 1999
J P Narciso	Savings related share option scheme	619	0	0	0	619
	Long term incentive plan	20768	0	2230	1338	17200
	Executive share option scheme	0	25000	0	0	25000
	Senior Executive share option scheme	53700	0	0	0	53700
M D Smith	Savings related share option scheme	375	0	0	375	0
	Long term incentive plan	22352	0	2135	1281	18936
	Executive share option scheme	0	30000	0	0	30000
	Senior Executive share option scheme	42500	0	0	0	42500

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.