

# **General Cable Investments Limited**

## **Directors' report and financial statements**

**31 December 1999**

Registered number 2885920



## General Cable Investments Limited

### Directors' report and financial statements

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## **General Cable Investments Limited**

**Directors:** C J Burdick  
D R Van Valkenberg (Resigned 16 March 1999)  
V M Hull (Resigned 18 August 2000)  
A K Illsley (Resigned 19 April 2000)  
S S Cook (Appointed 18 August 2000)

**Secretary:** J M Laver (Resigned 1 August 2000)  
C Burns (Appointed 1 August 2000)

**Registered Office:** Genesis Business Park  
Albert Drive  
Woking  
Surrey  
GU21 5RW

**Auditors:** KPMG Audit Plc  
PO Box 695  
8 Salisbury Square  
London EC4Y 8BB

**Solicitors:** Freshfields  
65 Fleet Street  
London EC4Y 1HS

Weil, Gotshal & Manges LLP  
One South Place  
London EC2M 2WG

## **General Cable Investments Limited**

### **Directors' report for the year ended 31 December 1999**

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

#### **Principal activities and review of the business**

During the year the Company continued activities as an investment company in the UK cable communications industry and intends to continue its principal activities for the foreseeable future.

#### **Results and dividends**

The profit and loss account for the year is set out on page 7. During the year interim and final dividends were paid on the fixed rate cumulative redeemable preference shares. No ordinary dividend is proposed by the directors (1998: £nil) and the directors recommend that the retained profit of £1,521,085 (1998: £1,542,070) be transferred to reserves.

#### **Directors and directors' interests**

The directors of the company during and subsequent to the year were as follows:-

C J Burdick	
D R Van Valkenberg	(Resigned 16 March 1999)
V M Hull	(Resigned 18 August 2000)
A K Illsley	(Resigned 19 April 2000)
S S Cook	(Appointed 18 August 2000)

The directors holding office at the year end had no disclosable interest in the shares of the Company or any other fellow subsidiary undertakings at any time during the year. The interests of C J Burdick, V M Hull and A K Illsley in the ordinary share capital of Telewest Communications plc at 31 December 1999 and the beginning of the year, or date of appointment, are shown in the directors' report attached to the financial statements of Telewest Communications plc.

Save as disclosed above, no rights to subscribe for shares in the Company or any other fellow subsidiary undertakings were granted to any of the directors, or their immediate families, or exercised by them, during the financial year.

## **General Cable Investments Limited**

### **Directors' report (continued)**

#### **Year 2000 compliance**

In March 1997, the Telewest Group of which the Company is a part, instigated a comprehensive compliance programme which was accountable directly to the Year 2000 Steering Committee chaired by the Chief Executive of the Telewest Group and monitored and audited by the industry regulator, OFTEL. At a total cost of approximately £4.2 million, the programme identified all assets, assessed their compliance and, where appropriate, implemented remedial action. The programme encompassed every area of the Telewest Group's operations and in addition all suppliers of products and services were monitored to ensure compliance within the supply chain process.

The century date change passed without any major changes to products and services but the Directors remain aware that possible problems associated with Year 2000 may still occur and controls remain in place to monitor such risks.

#### **Statement of 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 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;
- 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 maintaining 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 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.

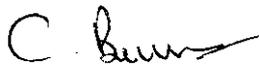
**General Cable Investments Limited**

**Directors' report (continued)**

**Auditors**

A resolution to reappoint the retiring auditors, KPMG Audit Plc, and to authorise the directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the board



**C Burns**  
Company Secretary

Genesis Business Park  
Albert Drive  
Woking  
Surrey  
GU21 5RW

*26 October 2000*

## **General Cable Investments Limited**

### **Report of the auditors to the members of General Cable Investments Limited**

We have audited the financial statements on pages 7 to 13.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 with the Company is not disclosed.

We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We 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 as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
*Registered Auditor*

PO Box 695  
8 Salisbury Square  
London  
EC4Y 8BB

*30 October* 2000

## General Cable Investments Limited

### Profit & loss account for the year ended 31 December 1999

	Notes	1999 £	1998 £
Administrative expenses		-	(40)
<b>Operating result/(loss)</b>		-	(40)
Interest payable and similar charges		-	(314)
Interest receivable and similar income	3	7,597,886	7,619,224
<b>Profit on ordinary activities before and after Taxation</b>		7,597,886	7,618,870
Non-equity dividends and appropriations	4	(6,076,801)	(6,076,800)
<b>Retained profit for the financial year</b>	12	1,521,085	1,542,070

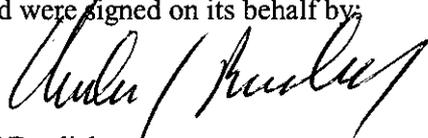
The company has no recognised gains or losses other than those included in the profit and loss account and therefore no separate statement of total recognised gains and losses has been presented. All income and expenditure arose in connection with continuing operations.

## General Cable Investments Limited

### Balance sheet at 31 December 1999

	Notes	1999 £	1998 £
<b>Fixed assets</b>			
Investments	7	21,838	21,838
<b>Current assets</b>			
<b>Debtors:</b> amounts falling due within one year	8	4,199,388	2,650,188
Cash at bank and in hand		11,446	39,561
		<hr/>	<hr/>
		4,210,834	2,689,749
<b>Creditors:</b> amounts falling due within one year	9	(616,004)	(616,004)
<b>Net current assets</b>		<hr/>	<hr/>
		3,594,830	2,073,745
<b>Creditors:</b> amounts falling due after more than one year		-	-
<b>Debtors:</b> amounts falling due after more than one year	8	100,000,000	100,000,000
<b>Net assets</b>		<hr/>	<hr/>
		103,616,668	102,095,583
<b>Share capital and reserves</b>			
Called up share capital (includes non-equity capital)	10	100,002	100,002
Share premium	11	99,900,000	99,900,000
Profit and loss account	12	3,616,666	2,095,581
		<hr/>	<hr/>
		103,616,668	102,095,583
Equity shareholders' funds		3,616,668	2,095,583
Non-equity shareholders' funds		100,000,000	100,000,000
<b>Total shareholders' funds</b>	13	<hr/>	<hr/>
		103,616,668	102,095,583

These financial statements were approved by the board of directors on 26 October 2000  
and were signed on its behalf by:



CJ Burdick  
Director

## **General Cable Investments Limited**

### **Notes to the financial statements for the year ended 31 December 1999**

#### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### **Basis of preparation**

These financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules.

The financial statements have been prepared on the basis that the Company will continue as a going concern on the basis that the ultimate parent company has guaranteed ongoing financial support for the Company for the foreseeable future.

#### **Related party transactions**

The Company is exempt from the requirement to disclose transactions with entities that are part of the group headed by Telewest Communications plc, the Company's ultimate parent undertaking, or investees of that group qualifying as related parties, as more than 90% of the Company's voting rights are controlled within that group and the consolidated financial statements of Telewest Communications plc, in which the Company is included, are publicly available.

#### **Cash flow exemption**

The Company is exempt from the requirement of Financial Reporting Standard No 1 (revised 1996) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Telewest Communications plc and its cash flows are included within the consolidated cash flow statement of that company.

#### **Investments**

Investments are stated at cost less any provision for permanent diminution in value.

## General Cable Investments Limited

### Notes to the financial statements (continued)

#### 2 Remuneration of directors

No director received any emoluments in respect of their services to the Company (1998: *£nil*).

#### 3 Interest receivable and similar income

	1999	1998
	£	£
Parent undertaking	7,596,000	7,616,812
Treasury stock	1,450	725
On deposits at banks	436	1,687
	<u>7,597,886</u>	<u>7,619,224</u>

#### 4 Dividends payable and appropriations

	1999	1998
	£	£
On non-equity shares:		
6.0768% cumulative redeemable preference shares		
Appropriation brought forward	(616,004)	(616,004)
Dividends paid	6,076,801	6,076,800
Appropriation carried forward	616,004	616,004
	<u>6,076,801</u>	<u>6,076,800</u>

#### 5 Auditors' remuneration

The auditor's remuneration for the Company in both the current and previous year was borne by the parent undertaking.

## General Cable Investments Limited

### Notes to the financial statements (continued)

#### 6 Taxation

There is no corporation tax liability for the current or previous year as a result of group relief from the surrender of tax losses by a fellow subsidiary undertaking.

There is no provision necessary in respect of deferred taxation in these financial statements.

#### 7 Investments £

At 1 January 1999 and at 31 December 1999 21,838

The investment relates to £20,000 of 7.25% Treasury Stock 2007.

#### 8 Debtors 1999 1998

£ £

##### Amounts falling due within one year

Amounts owed by parent undertaking 4,199,388 2,650,188

##### Amounts falling due after more than one year

Amounts owed by parent undertaking 100,000,000 100,000,000

## General Cable Investments Limited

### Notes to the financial statements (continued)

9 Creditors: amounts falling due within one year	1999 £	1998 £
Other creditors	616,004	616,004
	<u>616,004</u>	<u>616,004</u>
10 Called up share capital	1999 £	1998 £
<b>(a) Authorised</b>		
Equity – 1,000 ordinary shares of £1 each	1,000	1,000
Non-equity – 100,000 6.0768% cumulative redeemable preference shares of £1 each.	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
<b>(b) Allotted, called up and fully paid</b>		
Equity – 2 ordinary shares of £1 each	2	2
Non-equity – 100,000 6.0768% cumulative redeemable preference shares of £1 each.	100,000	100,000
	<u>100,002</u>	<u>100,002</u>

The fixed rate redeemable preference shares issued may be redeemed, at the option of the Company following the exercise of any right of the holder or holders of the majority of such shares to require the parent company; or the exercise by the parent company of any right, to purchase the shares from an existing holder or holders. They may be redeemed between the date of subscription and 25 November 2015 at par. If they are still outstanding at 25 May 2015 they must be redeemed at par. The shares are non-voting and have a preferential right to return of capital on a winding up.

The preference shares were redeemed on 25 May 2000 at a premium of £999 per share.

## General Cable Investments Limited

### Notes to the financial statements (continued)

<b>11 Share premium</b>	<b>£</b>
At 1 January 1999 and 31 December 1999	<b>99,900,000</b>

<b>12 Profit and loss account</b>	<b>£</b>
At 1 January 1999	2,095,581
Retained profit	1,521,085
<b>At 31 December 1999</b>	<b>3,616,666</b>

<b>13 Reconciliation of movements in shareholders' funds</b>	<b>£</b>
Opening shareholders' funds	102,095,583
Profit for the financial year	1,521,085
<b>Closing shareholders' funds</b>	<b>103,616,668</b>

#### 14 Ultimate parent company

The ultimate parent company is Telewest Communications plc, a company incorporated and registered in England and Wales. A copy of the group financial statements of that company which include General Cable Investments Limited may be obtained from the registered office, Genesis Business Park, Albert Drive, Woking, Surrey, GU21 5RW.

#### 15 Post balance sheet events

As described in note 10 the redeemable preference shares were redeemed on 25 May 2000 at a premium of £999 per share.

On 25 May 2000 the authorised ordinary share capital was increased by 100,000,000 to 100,001,000 ordinary shares of £1 each. These were allotted at their nominal value of £1 each for cash consideration received from the Company's immediate parent undertaking on the same date.