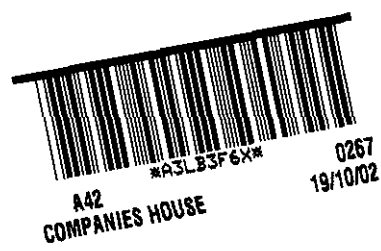


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REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2001  
FOR HAMILTON CABLES LIMITED



**HAMILTON CABLES LIMITED**

**INDEX TO THE FINANCIAL STATEMENTS**  
**For the year ended 31<sup>st</sup> December 2001**

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**HAMILTON CABLES LIMITED**  
**REPORT OF THE DIRECTORS**  
**For the year ended 31<sup>st</sup> December 2001**

The directors present their report together with the financial statements for the year ended 31<sup>st</sup> December 2001.

**1. Principal activity**

The group has been principally engaged as a distributor of electrical cables.

**2. Results and dividends**

The results for the year and financial position of the company and group are as shown in the annexed financial statements.

**3. Dividends**

No dividends will be distributed for the year ended 31<sup>st</sup> December 2001.

**4. Directors**

The directors during the year under review were:-

Mr PAH Stewart  
Mr A Bragagni  
Mr JS Light  
Mr JLH Stewart

The beneficial interests of the directors holding office on 31<sup>st</sup> December 2001 in the issued share capital of the company were as follows:-

<b>Ordinary £1 shares</b>	<b>31.12.01</b>	<b>1.1.01</b>
Mr PAH Stewart	-	-
Mr A Bragagni	2	2
Mr JS Light	24	24
Mr JLH Stewart	24	24

The remaining 50 shares are held by Alma Sapa, the company's parent company which is registered in Italy, and of which Mr A Bragagni is the ultimate controlling shareholder.

**HAMILTON CABLES LIMITED**

**REPORT OF THE DIRECTORS - CONTINUED**  
**For the year ended 31<sup>st</sup> December 2001**

**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 the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

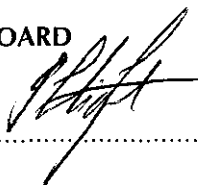
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**6. Auditors**

The auditors, Hewitt Card, will be proposed for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

**BY ORDER OF THE BOARD**



Mr JS Light  
Secretary

Date

12/6/02

## HAMILTON CABLES LIMITED

### REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF HAMILTON CABLES LIMITED

We have audited the financial statements of Hamilton Cables Limited for the year ended 31<sup>st</sup> December 2001 on pages four to eighteen. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

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

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 1985. We also report to you if, in our opinion, the Report of the Directors 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 director's remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 affairs of the company and the group at 31<sup>st</sup> December 2001 and of its losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hewitt Card  
Chartered Accountants  
Registered Auditors  
72 Nottingham Road  
Mansfield  
Nottinghamshire  
NG18 1BN

*Hewitt Card*

Dated : 12/6/02

## HAMILTON CABLES LIMITED

### ACCOUNTING POLICIES For the year ended 31<sup>st</sup> December 2001

**a) Accounting Convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**b) Consolidation**

The consolidated financial statements include the results of Hamilton Cables Limited and its subsidiary undertakings drawn up to 31<sup>st</sup> December 2001. No profit and loss account for the company has been presented for Hamilton Cables Limited as permitted by Section 230 of the Companies Act 1985.

**c) Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**d) Goodwill**

Purchased goodwill arising on the acquisition of subsidiary undertakings is set off directly against reserves in the year of acquisition.

**e) Fixed Assets and Depreciation**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold buildings	2% on cost
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	10% reducing balance

Surpluses and deficits arising from the professional valuations of properties are taken direct to the revaluation reserve. Where a diminution in the value of the asset is identified, the deficit is eliminated first against any revaluation reserve in respect of that asset with any excess being charged to the profit and loss account. Surpluses or deficits realised on the disposal of an asset are transferred from the revaluation reserve to the profit and loss amount reserve.

**f) Hire purchase and Leasing Commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the Profit and Loss Account as incurred.

**g) Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**h) Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

**i) Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

# HAMILTON CABLES LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 31<sup>st</sup> December 2001

	Notes	2001 £	2000 £
<b>TURNOVER</b>	1	<b>4,372,954</b>	5,013,650
Cost of sales		<u>3,265,720</u>	<u>3,741,104</u>
<b>GROSS PROFIT</b>		<b>1,107,234</b>	1,272,546
Administration expenses		<u>1,060,613</u>	<u>1,174,294</u>
		<b>46,621</b>	98,252
Other operating income		<u>50,296</u>	<u>54,284</u>
<b>OPERATING PROFIT</b>	3	<b>96,917</b>	152,536
Interest receivable		<u>20</u>	<u>45</u>
		<b>96,937</b>	152,581
Interest payable and similar charges	4	<u>116,257</u>	<u>147,231</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(19,320)</b>	5,350
Tax on profit on ordinary activities	5	<u>-</u>	<u>308</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(19,320)</b>	5,042
Minority interest		<u>-</u>	<u>3,780</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY</b>	19	<b><u>£(19,320)</u></b>	<b><u>£8,822</u></b>

### CONTINUING OPERATIONS

None of the group activities were acquired or discontinued during the current and previous years.

### TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

### NOTE OF HISTORICAL COST PROFITS AND LOSSES

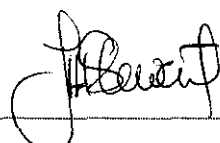
The difference between the results are disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

The accounting policies and notes on pages 4 and 9 to 18 form part of these financial statements.

**HAMILTON CABLES LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**As at 31<sup>st</sup> December 2001**

	Notes	2001	2000
		£	£
<b>FIXED ASSETS:</b>			
Tangible assets	7	960,555	1,020,349
<b>CURRENT ASSETS</b>			
Stock	9	1,307,732	1,186,242
Debtors	10	1,089,171	1,455,820
Cash at bank and in hand		<u>143,557</u>	<u>17,880</u>
		2,540,460	2,659,942
<b>CREDITORS:</b> amounts falling due			
Within one year	11	<u>3,176,947</u>	<u>3,318,316</u>
<b>NET CURRENT LIABILITIES:</b>		<u>(636,487)</u>	<u>(658,374)</u>
		324,068	361,975
<b>CREDITORS:</b> amounts falling due			
After more than one year	12	<u>(251,970)</u>	<u>(270,557)</u>
		72,098	91,418
Minority interest		-	3,780
		<u>£72,098</u>	<u>£95,198</u>
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	17	100	100
Revaluation reserve	18	133,230	135,330
Profit and loss account	19	<u>(61,232)</u>	<u>(40,232)</u>
<b>SHAREHOLDERS FUNDS:</b>	20	<u>£72,098</u>	<u>£95,198</u>

**ON BEHALF OF THE BOARD:**



**Mr J L H Stewart – Director**

**Approved by the Board on:**

12/6/02

The accounting policies and notes on pages 4 and 9 to 18 form part of these financial statements.

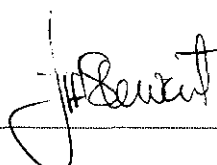


# HAMILTON CABLES LIMITED

## BALANCE SHEET As at 31<sup>st</sup> December 2001

	Notes	2001	2000
		£	£
<b>FIXED ASSETS:</b>			
Tangible assets	7	883,988	923,867
Investments	8	251	251
		<u>884,239</u>	<u>924,118</u>
<b>CURRENT ASSETS:</b>			
Stock	9	1,040,143	900,736
Debtors	10	1,242,920	1,545,092
Cash at bank and in hand		125,132	6,978
		<u>2,408,195</u>	<u>2,452,806</u>
<b>CREDITORS:</b> amounts falling due within one year	11	<u>2,797,469</u>	<u>2,814,747</u>
<b>NET CURRENT LIABILITIES:</b>		<u>(389,274)</u>	<u>(361,941)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		<u>494,965</u>	<u>562,177</u>
<b>CREDITORS:</b> amounts falling due after more than one year	12	<u>251,157</u>	<u>268,377</u>
		<u><u>£243,808</u></u>	<u><u>£293,800</u></u>
<b>CAPITAL AND RESERVES:</b>			
Called up share capital	17	100	100
Revaluation reserve	18	133,230	135,330
Profit and loss account	19	110,478	158,370
<b>SHAREHOLDERS FUNDS:</b>	20	<u><u>£243,808</u></u>	<u><u>£293,800</u></u>

### ON BEHALF OF THE BOARD:



Mr J L H Stewart - Director

Approved by the Board on:

12/6/02

The accounting policies and notes on pages 4 and 9 to 18 form part of these financial statements.

# HAMILTON CABLES LIMITED

## CASH FLOW STATEMENT For the year ended 31<sup>st</sup> December 2001

	Notes	£	2001 £	£	2000 £
Net cash inflow from operating activities	24		440,559		297,440
Returns on investments and Servicing of finance	25		(116,237)		(147,186)
Taxation			-		(308)
Capital expenditure and financial investment	26		(16,416)		(59,367)
Financing	27		(17,138)		44,929
Increase in cash in the period			<u>290,768</u>		<u>135,508</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT 28

Increase in cash in the period	290,768	135,508
Cash inflow from decrease in debt and lease financing	<u>12,621</u>	<u>44,715</u>
Change in net debt resulting from cash flows	<u>303,389</u>	<u>180,223</u>
Movement in net debt in the period	303,389	180,223
Net debt at 1 <sup>st</sup> January 2001	(740,171)	(920,394)
Net debt at 31 <sup>st</sup> December 2001	<u>£(436,782)</u>	<u>£(740,171)</u>

# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31<sup>st</sup> December 2001

### 1. TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the groups ordinary activities, stated net of value added tax.

### 2. STAFF COSTS

	2001	2000
	£	£
Wages and salaries	521,215	608,132
Social security	53,911	52,908
Pension costs	31,426	29,558
	<u>606,552</u>	<u>690,598</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging:

	2001	2000
	£	£
Depreciation - owned assets	67,070	52,450
Depreciation - assets on hire purchase	8,286	24,231
Loss on disposal of assets	854	15,276
Auditors remuneration	<u>13,815</u>	<u>12,928</u>
Directors emoluments	<u>117,914</u>	<u>114,815</u>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
Invoice discounting interest	45,591	64,528
Bank interest	23,773	23,484
Hire purchase interest	3,123	7,176
Interest on parent company debt	<u>43,770</u>	<u>52,043</u>
	<u>116,257</u>	<u>147,231</u>

The average number of employees during the year was 37, (2000:36).

# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the year ended 31<sup>st</sup> December 2001

### 5. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The taxation charge is based on the profit for the year and is made up as follows:

	2001 £	2000 £
UK corporation tax	-	308
Adjustment in respect of previous years	-	-
	<u>-</u>	<u>£308</u>

UK corporation tax has been charged at 20%, (2001:20%). The tax charges are stated after adjustment for marginal and group relief.

### 6. (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY

The loss dealt with in the accounts of the parent company amounted to £49,992 (2000: profit £10,527).

### 7. TANGIBLE FIXED ASSETS - GROUP

	Freehold Land & Buildings £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST OR VALUATION</b>					
At 1 <sup>st</sup> January 2001	804,493	240,253	187,956	148,732	1,381,434
Additions	-	12,683	1,895	38,986	53,564
Disposals	-	-	-	(61,281)	(61,281)
At 31 <sup>st</sup> December 2001	<u>804,493</u>	<u>252,936</u>	<u>189,851</u>	<u>126,437</u>	<u>1,373,717</u>
<b>DEPRECIATION</b>					
At 1 <sup>st</sup> January 2001	67,538	153,120	89,130	51,297	361,085
Provided in the year	11,933	25,907	10,366	27,150	75,356
Disposals	-	-	-	(23,279)	(23,279)
At 31 <sup>st</sup> December 2001	<u>79,471</u>	<u>179,027</u>	<u>99,496</u>	<u>55,168</u>	<u>413,162</u>
<b>NET BOOK AMOUNT</b>					
At 31 <sup>st</sup> December 2001	<u>725,022</u>	<u>73,909</u>	<u>90,355</u>	<u>71,269</u>	<u>960,555</u>
At 31 <sup>st</sup> December 2000	<u>736,955</u>	<u>87,133</u>	<u>98,826</u>	<u>97,435</u>	<u>1,020,349</u>

# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the year ended 31<sup>st</sup> December 2001

### Note 7. Continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Motor Vehicles £</b>
<b>COST</b>	
At 1 <sup>st</sup> January 2001	123,703
Additions	27,546
Transferred to ownership	(115,581)
At 31 <sup>st</sup> December 2001	<u>35,668</u>
<b>DEPRECIATION</b>	
At 1 <sup>st</sup> January 2001	45,003
Provided in year	8,286
Transferred to ownership	(43,989)
At 31 <sup>st</sup> December 2001	<u>9,300</u>
<b>NET BOOK AMOUNT</b>	
At 31 <sup>st</sup> December 2001	<u>26,368</u>
At 31 <sup>st</sup> December 2000	<u>78,700</u>

Tangible fixed assets - company

	<b>Freehold Land &amp; Buildings £</b>	<b>Plant &amp; Machinery £</b>	<b>Fixtures &amp; Fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>					
At 1 <sup>st</sup> January 2001	804,493	166,893	158,654	63,094	1,193,134
Additions	-	12,170	1,895	29,535	43,600
Disposals	-	-	-	(48,381)	(48,381)
At 31 <sup>st</sup> December 2001	<u>804,493</u>	<u>179,063</u>	<u>160,549</u>	<u>44,248</u>	<u>1,188,353</u>
<b>DEPRECIATION</b>					
At 1 <sup>st</sup> January 2001	67,538	108,091	73,033	20,605	269,267
Provided in the year	11,933	20,216	8,610	13,163	53,922
Disposals	-	-	-	(18,824)	(18,824)
At 31 <sup>st</sup> December 2001	<u>79,471</u>	<u>128,307</u>	<u>81,643</u>	<u>14,944</u>	<u>304,365</u>
<b>NET BOOK AMOUNT</b>					
At 31 <sup>st</sup> December 2001	<u>725,022</u>	<u>50,756</u>	<u>78,906</u>	<u>29,304</u>	<u>883,988</u>
At 31 <sup>st</sup> December 2000	<u>736,955</u>	<u>58,802</u>	<u>85,621</u>	<u>42,489</u>	<u>923,867</u>

# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the year ended 31<sup>st</sup> December 2001

### Note 7. Continued

Cost or valuation at 31<sup>st</sup> December 2001 is represented by :

If freehold land and buildings had not been revalued it would have been included at the following historical cost:

	2001 £	2000 £
Cost	<u>661,402</u>	<u>661,402</u>
Value of land in freehold land and buildings	<u>197,612</u>	<u>197,612</u>

Freehold land and buildings were valued on open market basis on 6<sup>th</sup> October 1993 by Bothams Chartered Surveyors.

The company has taken advantage of the transitional provisions of FRS 15 and is carrying the book value of its freehold land and buildings as per the last valuation as stated above.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor Vehicles £
<b>COST</b>	
At 1 <sup>st</sup> January 2001	38,065
Additions	18,095
Disposals	(38,065)
At 31 <sup>st</sup> December 2001	<u>18,095</u>
<b>DEPRECIATION</b>	
At 1 <sup>st</sup> January 2001	14,311
Provided in year	4,147
Disposals	(14,311)
At 31 <sup>st</sup> December 2001	<u>4,147</u>
<b>NET BOOK AMOUNT</b>	
At 31 <sup>st</sup> December 2001	<u>13,948</u>
At 31 <sup>st</sup> December 2000	<u>23,754</u>

# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the year ended 31<sup>st</sup> December 2001

### 8. INVESTMENTS

Name of Company	2001		2000		Country of Registration & operation
	Cost £	Holding %	Cost £	Holding %	
Hamilton Cables (East Anglia) Ltd	100	100	100	100	England
Hamilton Cables (East Riding) Ltd	76	100	76	76	England
Hamilton Pow-R-Safe Systems Ltd	75	100	75	100	England
	<u>251</u>		<u>251</u>		

All of the above holdings are of £1 ordinary shares

### 9. STOCK

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Stock for resale	<u>1,307,732</u>	<u>1,186,242</u>	<u>1,040,143</u>	<u>900,736</u>

### 10. DEBTORS

Amounts falling due within one year:

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Trade debtors	956,369	1,380,878	579,832	881,936
Amounts owed by group undertakings	-	-	528,466	570,198
Other debtors	29,825	24,959	12,952	6,074
Prepayments and accrued income	102,977	49,983	121,670	86,884
	<u>1,089,171</u>	<u>1,455,820</u>	<u>1,242,920</u>	<u>1,545,092</u>

# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31<sup>st</sup> December 2001

### 11. CREDITORS

Amounts falling due within one year:

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loans and overdrafts	601,585	750,016	348,108	399,622
Trade creditors	445,281	708,232	359,978	600,621
Amounts owed to related undertakings	-	57,007	-	57,007
Amounts owed to group undertakings	1,824,772	1,524,119	1,824,772	1,524,119
Social Security and other taxes	132,708	183,492	122,400	187,958
Hire purchase	9,290	24,501	5,483	5,416
Accruals	108,309	58,476	92,699	40,004
Other creditors	55,002	12,473	44,029	-
	<u>3,176,947</u>	<u>3,318,316</u>	<u>2,797,469</u>	<u>2,814,747</u>

### 12. CREDITORS

Amounts falling due after more than one year:

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loan	244,760	265,937	244,760	265,937
Hire purchase	7,210	4,620	6,397	2,440
	<u>251,970</u>	<u>270,557</u>	<u>251,157</u>	<u>268,377</u>

### 13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	563,839	728,930	310,362	378,536
Bank loans	37,746	21,086	37,746	21,086
	<u>601,585</u>	<u>750,016</u>	<u>348,108</u>	<u>399,622</u>
Amounts falling due between one and two years:				
Bank loans	<u>37,646</u>	<u>21,086</u>	<u>37,646</u>	<u>21,086</u>
Amounts falling due between two and five years:				
Bank loans	<u>85,393</u>	<u>63,258</u>	<u>85,393</u>	<u>63,258</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>121,721</u>	<u>181,593</u>	<u>121,721</u>	<u>181,593</u>



# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the year ended 31<sup>st</sup> December 2001

### Note 13. Continued

The company's bank loans and overdraft are secured by a mortgage debenture over the company's assets and legal mortgages over the company's freehold land and buildings.

### 14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Gross obligations repayable:				
Within one year	10,342	26,824	6,328	6,083
Between one and five years	8,300	4,931	7,383	2,751
	<u>18,642</u>	<u>31,755</u>	<u>13,711</u>	<u>8,834</u>
Finance charges repayable:				
Within one year	1,052	2,323	845	667
Between one and five years	1,090	311	986	311
	<u>2,142</u>	<u>2,634</u>	<u>1,831</u>	<u>978</u>
Net obligations repayable:				
Within one year	9,290	24,501	5,483	5,416
Between one and five years	7,210	4,620	6,397	2,440
	<u>16,500</u>	<u>29,121</u>	<u>11,880</u>	<u>7,856</u>

The following payments are committed to be paid within one year in respect of operating leases:

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Expiring:				
Within one year	9,659	5,989	9,659	5,664
Between one and five years	25,845	16,845	25,845	16,520
	<u>35,504</u>	<u>22,834</u>	<u>35,504</u>	<u>22,184</u>

### 15. SECURED DEBTS

The following secured debtors are included within creditors:

	2001	2000
	£	£
Bank overdraft	563,839	728,930
Bank loans	282,506	287,023
Hire purchase contract	16,500	29,121
	<u>862,845</u>	<u>1,045,074</u>

### 16. PROVISIONS FOR LIABILITIES AND CHARGES

The maximum potential liability for which no provision has been made in the accounts is as follows:

	2001	2000
	£	£
Accelerated capital allowances	<u>22,354</u>	<u>23,612</u>

# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31<sup>st</sup> December 2001

### 17. CALLED UP SHARE CAPITAL

	2001 and 2000	
	Authorised £	Issued and Fully paid £
Ordinary shares of £1 each	<u>100,000</u>	<u>100</u>

### 18. REVALUATION RESERVE – COMPANY AND GROUP

	2001 £	2000 £
At 1 <sup>st</sup> January 2001	135,330	137,430
Transfer to profit and loss account	<u>(2,100)</u>	<u>(2,100)</u>
At 31 <sup>st</sup> December 2001	<u>133,230</u>	<u>135,330</u>

### 19. PROFIT AND LOSS ACCOUNT – GROUP

	2001 £	2000 £
At 1 <sup>st</sup> January 2001	(40,232)	(51,154)
(Loss)/profit for the year	(19,320)	8,822
Goodwill on acquisition of shares	(3,780)	-
Transfer from revaluation reserve	<u>2100</u>	<u>2,100</u>
At 31 <sup>st</sup> December 2001	<u>(61,232)</u>	<u>(40,232)</u>

### PROFIT AND LOSS ACCOUNT - COMPANY

	2001 £	2000 £
At 1 <sup>st</sup> January 2001	158,370	145,743
(Loss)/Profit for the year	(49,992)	10,527
Transfer from revaluation reserve	<u>2,100</u>	<u>2100</u>
At 31 <sup>st</sup> December 2001	<u>110,478</u>	<u>158,370</u>

### 20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS - GROUP

	2001 £	2000 £
(Loss)/Profit for the year	<u>(23,100)</u>	<u>8,822</u>
Net addition to/(reduction of) shareholders funds	(23,100)	8,822
Shareholders funds at 1 <sup>st</sup> January 2001	<u>95,198</u>	<u>86,376</u>
Shareholders funds at 31 <sup>st</sup> December 2001	<u>72,098</u>	<u>95,198</u>
Equity interests	<u>72,098</u>	<u>95,198</u>

### RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS - COMPANY

	2001 £	2000 £
(Loss)/Profit for the year	<u>(49,992)</u>	<u>10,527</u>
Net addition to shareholders funds	(49,992)	10,527
Shareholders funds at 1 <sup>st</sup> January 2001	<u>293,800</u>	<u>283,273</u>
Shareholders funds at 31 <sup>st</sup> December 2001	<u>243,808</u>	<u>293,800</u>
Equity interests	<u>243,808</u>	<u>293,800</u>

# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31<sup>st</sup> December 2001

### 22. CONTINGENT LIABILITIES

The group had no contingent liabilities at 31<sup>st</sup> December 2001 or at 31<sup>st</sup> December 2000.

### 23. RELATED PARTY DISCLOSURES

During the year the group traded with other companies within the Alma Sapa Group. The trade between the companies, which was on a normal commercial basis, consisted of the supply of goods and services. The amounts involved during the year were:-

	2001
	£
Tratos Cavi – Purchases	<u>1,380,913</u>

All transactions were made at cost. At 31<sup>st</sup> December 2001, £1,824,772 was due to Tratos Cavi.

The ultimate controlling party is Mr A Bragagni, a shareholding director of Hamilton Cables Limited who also holds a controlling interest in the ultimate parent company Alma Sapa.

### 24. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATIONS.

	2001	2000
	£	£
Operating profit	96,917	152,536
Depreciation charges	75,356	76,681
Loss on disposal of assets	854	15,276
Increase in stock	(121,490)	(99,039)
(Increase)/decrease in debtors	366,649	(49,590)
Increase/(decrease) in creditors	<u>22,273</u>	<u>201,576</u>
Net cash inflow from operating activities	<u>440,559</u>	<u>297,440</u>

### 25. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2001	2000
	£	£
Interest received	20	45
Interest paid	(113,134)	(140,055)
Interest element of hire purchase payments	<u>(3,123)</u>	<u>(7,176)</u>
Net cash outflow for returns on		
Investments and servicing of finance	<u>(116,237)</u>	<u>(147,186)</u>

# HAMILTON CABLES LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) For the year ended 31<sup>st</sup> December 2001

### 26. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2001 £	2000 £
Purchase of tangible fixed assets	(53,564)	(98,746)
Sale of tangible fixed assets	<u>37,148</u>	<u>39,379</u>
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u>(16,416)</u>	<u>(59,367)</u>

### 27. FINANCING

	2001 £	2000 £
New loan taken out in year	28,563	323,461
Loan repayments in year	<u>(45,701)</u>	<u>(278,532)</u>
Net cash inflow/(outflow) from financing	<u>(17,138)</u>	<u>44,929</u>

### 28. ANALYSIS OF CHANGES IN DEBT

	At 1.1.01 £	Cash Flow £	At 31.12.01 £
<b>NET CASH</b>			
Cash at bank and in hand	17,880	125,677	143,557
Bank overdraft and invoice discounting	<u>(728,930)</u>	<u>165,091</u>	<u>(563,839)</u>
	<u>(711,050)</u>	<u>290,768</u>	<u>(420,282)</u>
<b>DEBT</b>			
Hire purchase	<u>(29,121)</u>	<u>12,621</u>	<u>(16,500)</u>
	<u>(29,121)</u>	<u>12,621</u>	<u>(16,500)</u>
Total	<u>(740,171)</u>	<u>303,389</u>	<u>436,782</u>
Analysed in balance sheet			
Cash at bank and in hand	17,880		143,557
Bank overdraft	(728,930)		(563,839)
Hire purchase			
Within one year	(24,501)		(9,290)
After one year	<u>(4,620)</u>		<u>(7,210)</u>
	<u>(740,171)</u>		<u>(436,782)</u>