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HAMILTON CABLES LIMITED
STATEMENT OF CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER 1999



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**HAMILTON CABLES LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999**

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HAMILTON CABLES LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 1999

The directors present their report together with the financial statements for the year ended 31st December 1999.

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. During the year, control of the company passed to Alma Sapa. This company is registered in Italy and is involved in the manufacture and distribution of electrical cable. It is considered that significant benefits will accrue from this closer relationship.

The company considers that trading circumstances are difficult but consider that the rationalisation changes made during the year will return the company to profit in the coming year. The group has relocated to its Holmewood premises, and the associated costs of this move are reflected in these accounts.

3. Dividends

No dividends will be distributed for the year ended 31st December 1999.

4. Events since the balance sheet date

These are as detailed in the notes to the accounts.

5. Directors

The directors during the year under review were:-

Mr PAH Stewart
 Mr A Bragagni
 Mr JS Light
 Mr JLH Stewart - appointed 26.8.99

The beneficial interests of the directors holding office on 31st December 1999 in the issued share capital of the company were as follows:-

Ordinary £1 shares	31.12.99	1.1.99 or date of appointment if later
Mr PAH Stewart	-	50
Mr A Bragagni	2	-
Mr JS Light	24	-
Mr JLH Stewart	24	-

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

**HAMILTON CABLES LIMITED
REPORT OF THE DIRECTORS - CONTINUED
FOR THE YEAR ENDED 31ST DECEMBER 1999**

6. 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.

7. Auditors

Hewitt Card offer themselves 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

14/07/00

AUDITORS' REPORT TO THE MEMBERS OF HAMILTON CABLES LIMITED

We have audited the financial statements on pages 4 to 18 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies on page 4.

Respective responsibilities of directors and auditors

As described on page 1 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.

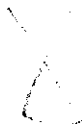
Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31st December 1999 and of the loss for the group for the year ended and have been properly prepared in accordance with the Companies Act 1985.

HEWITT CARD
REGISTERED AUDITORS AND
CHARTERED ACCOUNTANTS
72 NOTTINGHAM ROAD
MANSFIELD
NOTTS
NG18 1BN



Date 12/1/2000



HAMILTON CABLES LIMITED
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER 1999

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and incorporate the results of the principal activity which is described in the directors report and which is continuing.

b) Consolidation

The consolidated financial statements include the results of Hamilton Cables Limited and its subsidiary undertakings drawn up to 31st December 1999. 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) 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

An amount equal to the excess of the actual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

f) Lease and hire purchase contracts

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.

g) Stocks

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

h) Pensions - defined contribution scheme

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 31ST DECEMBER 1999

	Notes	1999 £	1998 £
Turnover	1	5,556,537	6,675,496
Cost of sales		<u>(4,146,451)</u>	<u>(5,062,397)</u>
Gross profit		1,410,086	1,613,099
Administration expenses		(1,361,583)	(1,624,160)
Other operating income		<u>38,964</u>	<u>69,251</u>
Operating profit	2	87,467	58,190
Interest receivable		454	-
Interest payable and similar charges	3	(125,967)	(167,858)
Loss on ordinary activities before taxation	5	<u>(38,046)</u>	<u>(109,668)</u>
Tax on profit on ordinary activities		<u>(1,199)</u>	<u>18</u>
Loss on ordinary activities after taxation		(39,245)	(109,650)
Amount written off investment and minority interest		<u>(36,914)</u>	<u>(69,434)</u>
Loss for the financial year attributable to members of the holding company	19	<u>£(76,159)</u>	<u>£(179,084)</u>

None of the group activities were acquired or discontinued during the above two financial periods.

There were no recognised gains and losses in 1999 or 1998 other than the loss for the period.

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

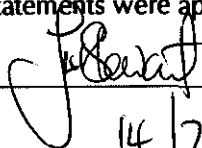
HAMILTON CABLES LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31ST DECEMBER 1999

	Notes	1999	1998
		£	£
Fixed assets			
Tangible assets	7	1,052,939	979,987
Current assets			
Stock	9	1,087,203	1,322,367
Debtors	10	1,406,230	1,473,345
Cash at bank and in hand		<u>21,393</u>	<u>1,130</u>
		2,514,826	2,796,842
Creditors: amounts falling due			
Within one year	11	<u>(3,301,533)</u>	<u>(3,441,569)</u>
Net current liabilities		<u>(786,707)</u>	<u>(644,727)</u>
		266,232	335,260
Creditors amounts falling due			
After more than one year	12	<u>(179,856)</u>	<u>(206,254)</u>
		86,376	129,006
Minority interest		<u>-</u>	<u>33,529</u>
		<u>£86,376</u>	<u>£162,535</u>
Capital and reserves			
Called up share capital	17	100	100
Revaluation reserve	18	137,430	139,530
Profit and loss account	19	<u>(51,154)</u>	<u>22,905</u>
Shareholders funds	20	<u>£86,376</u>	<u>£162,535</u>

The financial statements were approved by the board of directors on:

Director

Date


 14/7/00

The accounting policies and notes on pages 4 and 9 to 17 form part of these financial statements.

HAMILTON CABLES LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 1999

	Notes	1999	1998
		£	£
Fixed assets			
Tangible assets	7	929,897	894,157
Investments	8	<u>251</u>	<u>15,211</u>
		930,148	909,368
Current assets			
Stock	9	834,196	1,005,730
Debtors	10	1,358,375	1,283,476
Cash at bank and in hand		<u>425</u>	<u>143</u>
		2,192,996	2,289,349
Creditors: amounts falling due within one year	11	<u>(2,675,271)</u>	<u>(2,721,890)</u>
Net current liabilities		(482,275)	(432,541)
Total assets less current liabilities		447,873	476,827
Creditors amounts falling due after more than one year	12	<u>(164,600)</u>	<u>(199,016)</u>
		<u>£283,273</u>	<u>£277,811</u>
Capital and reserves			
Called up share capital	17	100	100
Revaluation reserve	18	137,430	139,530
Profit and loss account	19	<u>145,743</u>	<u>138,181</u>
Shareholders funds	20	<u>£283,273</u>	<u>£277,811</u>

The financial statements were approved by the board of directors on:

Director

Date _____

The accounting policies and notes on pages 4 and 9 to 17 form part of these financial statements.

HAMILTON CABLES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 1999

	Notes	£	1999	£	£	1998	£
Net cash inflow from operating activities	23			339,665			420,394
Returns on investments and servicing of finance	24			(125,513)			(167,858)
Taxation				(1,199)			(19,592)
Capital expenditure and financial investment	25			(67,872)			9,806
Equity dividends paid				(3,360)			(112,090)
Financing	26			<u>(89,056)</u>			<u>(75,078)</u>
Increase in cash in the period				<u>£52,665</u>			<u>£55,582</u>
Reconciliation of net cash flow to movement in net debt	27						
Increase in cash in the period			52,665			55,582	
Cash inflow from decrease in debt and lease financing			<u>61,357</u>			<u>52,463</u>	
Change in net debt resulting from cash flows				114,022			108,045
New finance leases				<u>(85,831)</u>			<u>(56,155)</u>
Movement in net debt in the period				28,191			51,890
Net debt at 1 st January 1999				<u>(948,585)</u>			<u>(1,000,475)</u>
Net debt at 31 st December 1999				<u>£(920,394)</u>			<u>£(948,585)</u>

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1999

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. Operating profit

Operating profit is stated after charging:

	1999	1998
	£	£
Depreciation - owned assets	47,294	56,878
Depreciation - assets on hire purchase	27,401	20,091
Loss/(profit) on disposal of assets	6,031	(1,065)
Operating leases	5,535	9,267
Auditors remuneration	12,394	12,600
	<u>£124,224</u>	<u>£113,803</u>
Directors emoluments (parent company)	<u>£124,224</u>	<u>£113,803</u>

3. Interest payable and similar charges

	1999	1998
	£	£
Invoice discounting interest	56,142	92,722
Bank interest	19,342	24,782
Hire purchase interest	7,109	6,229
Interest on related party debt	43,374	44,125
	<u>£125,967</u>	<u>£167,858</u>

4. Staff costs

	1999	1998
	£	£
Wages and salaries	724,945	859,489
Social security	60,106	82,907
Pension costs	34,098	61,835
	<u>£819,149</u>	<u>£1,004,231</u>

The average number of employees during the year was 42 (1998:52).

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

5. Tax on (loss)/profit on ordinary activities

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

	1999	1998
	£	£
Adjustment in respect of previous years	(1,199)	18
	<u>£(1,199)</u>	<u>£18</u>

6. Profit/(Loss) attributable to members of the holding company

The profit/(loss) dealt with in the accounts of the parent company amounted to £5,463, (1998: loss (£50,940)).

7. Tangible fixed assets - group

	Freehold Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 st January 1999	760,073	198,429	155,158	131,650	1,245,310
Additions	42,490	14,339	26,908	95,199	178,936
Disposals	-	(1,001)	-	(54,217)	(55,218)
At 31 st December 1999	<u>802,563</u>	<u>211,767</u>	<u>182,066</u>	<u>172,632</u>	<u>1,369,028</u>
Depreciation					
At 1 st January 1999	44,428	111,253	72,602	37,040	265,323
Provided in the year	11,180	26,135	6,154	31,226	74,695
Disposals	-	(305)	-	(23,624)	(23,929)
At 31 st December 1999	<u>55,608</u>	<u>137,083</u>	<u>78,756</u>	<u>44,642</u>	<u>316,089</u>
Net book amount					
At 31 st December 1999	<u>£746,955</u>	<u>£74,684</u>	<u>£103,310</u>	<u>£127,990</u>	<u>£1,052,939</u>
At 31 st December 1998	<u>£715,645</u>	<u>£87,176</u>	<u>£82,556</u>	<u>£94,610</u>	<u>£979,987</u>

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

Note 7. Continued

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

	Plant & Machinery	Motor Vehicles	Total
	£	£	£
Cost			
At 1 st January 1999	-	102,795	102,795
Additions	4,500	89,469	93,969
Disposals	-	(29,705)	(29,705)
At 31 st December 1999	<u>4,500</u>	<u>162,559</u>	<u>167,059</u>
Depreciation			
At 1 st January 1999	-	26,459	26,459
Provided in year	450	26,951	27,401
Disposals	-	(11,201)	(11,201)
At 31 st December 1999	<u>450</u>	<u>42,209</u>	<u>42,659</u>
Net book amount			
At 31 st December 1999	<u>£4,050</u>	<u>£120,350</u>	<u>£124,400</u>
At 31 st December 1998	<u>£-</u>	<u>£76,336</u>	<u>£76,336</u>

Tangible fixed assets - company

	Freehold Land & Buildings	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 st January 1999	760,073	128,497	126,316	86,561	1,101,447
Additions	42,490	6,811	24,367	29,630	103,298
Disposals	-	(1,001)	-	(27,723)	(28,724)
At 31 st December 1999	<u>802,563</u>	<u>134,307</u>	<u>150,683</u>	<u>88,468</u>	<u>1,176,021</u>
Depreciation					
At 1 st January 1999	44,428	79,417	59,466	23,979	207,290
Provided in the year	11,180	17,238	4,068	19,540	52,026
Disposals	-	(305)	-	(12,887)	(13,192)
At 31 st December 1999	<u>55,608</u>	<u>96,635</u>	<u>63,534</u>	<u>30,632</u>	<u>246,124</u>
Net book amount					
At 31 st December 1999	<u>£746,955</u>	<u>£37,957</u>	<u>£87,149</u>	<u>£57,836</u>	<u>£929,897</u>
At 31 st December 1998	<u>£715,645</u>	<u>£49,080</u>	<u>£66,850</u>	<u>£62,582</u>	<u>£894,157</u>

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

Note 7. Continued

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

	Motor Vehicles £
Cost	
At 1 st January 1999	71,205
Additions	23,900
Disposals	(16,710)
At 31 st December 1999	<u>78,395</u>
Depreciation	
At 1 st January 1999	19,462
Provided in year	15,265
Disposals	(6,528)
At 31 st December 1999	<u>28,199</u>
Net book amount	
At 31 st December 1999	<u>£50,196</u>
At 31 st December 1998	<u>£51,743</u>

Freehold land and buildings

The company's freehold land and buildings at Inkersall, Chesterfield were revalued on 6th October 1993 by Bothams, Chartered Surveyors on an existing use open market value basis.

Historical cost information

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

	1999 £	1998 £
Freehold property historical cost	610,043	610,043
Depreciation of historical cost	(24,358)	(24,358)
	<u>£585,685</u>	<u>£585,685</u>

8. Investments

Name of Company	1999		1998		Country of Registration & operation
	Cost £	Holding %	Cost £	Holding %	
Hamilton Cables (East Anglia) Ltd	75	100	15,060	75	England
Hamilton Cables (East Riding) Ltd	76	76	76	76	England
Hamilton Pow-R-Safe Systems Ltd	100	100	75	75	England
	<u>£251</u>		<u>£15,211</u>		

All of the above holdings are of £1 ordinary shares

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

Note 8. Continued

During the year, the company acquired the remaining minority interest share capital in Hamilton Cables (East Anglia) Ltd and Hamilton Pow-R-Safe Systems Ltd. Both companies are now 100% owned by the group.

The investment disposal and write off of minority interest represents provision in full against the non-recoverable value of the investment in Hamilton Cables (East Anglia) Ltd and the minority interest attaching to those shares.

9. Stocks

	Group		Company	
	1999	1998	1999	1998
Stock for resale	<u>£1,087,203</u>	<u>£1,322,367</u>	<u>£834,196</u>	<u>£1,005,730</u>

10. Debtors

Amounts falling due within one year:

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Trade debtors	1,315,067	1,352,397	753,480	679,695
Amounts owed by group undertakings	-	-	489,025	528,409
Other debtors	23,997	33,885	5,212	4,612
Prepayments and accrued income	<u>67,166</u>	<u>87,063</u>	<u>110,658</u>	<u>70,760</u>
	<u>£1,406,230</u>	<u>£1,473,345</u>	<u>£1,358,375</u>	<u>£1,283,476</u>

11. Creditors

Amounts falling due within one year:

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Bank loans and overdrafts	907,239	937,109	520,747	467,306
Trade creditors	889,094	1,088,060	731,893	888,977
Amounts owed to related undertakings	1,256,182	1,168,281	1,256,182	1,168,281
Social Security and other taxes	131,259	134,087	110,205	146,006
Corporation Tax	-	-	-	-
Hire purchase	52,071	31,430	18,304	24,835
Accruals	<u>65,688</u>	<u>82,602</u>	<u>37,940</u>	<u>26,485</u>
	<u>£3,301,533</u>	<u>£3,441,569</u>	<u>£2,675,271</u>	<u>£2,721,890</u>

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

12. Creditors

Amounts falling due after more than one year:

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Bank loan	158,091	188,322	158,091	188,322
Hire purchase	21,765	17,932	6,509	10,694
	<u>£179,856</u>	<u>£206,254</u>	<u>£164,600</u>	<u>£199,016</u>

13. Loans and overdrafts

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

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	867,951	900,353	481,459	430,550
Bank loans	39,288	39,288	39,288	39,288
	<u>£907,239</u>	<u>£939,641</u>	<u>£520,747</u>	<u>£469,838</u>
Amounts falling due between one and two years:				
Bank loans	<u>£39,288</u>	<u>£39,288</u>	<u>£39,288</u>	<u>£39,288</u>
Amounts falling due between two and five years:				
Bank loans	<u>£91,064</u>	<u>£102,175</u>	<u>£91,064</u>	<u>£102,175</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>£27,739</u>	<u>£44,327</u>	<u>£27,739</u>	<u>£44,327</u>

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.

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

14. Obligations under hire purchase contracts and leases

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Gross obligations repayable:				
Within one year	56,507	35,090	19,182	26,763
Between one and five years	56,267	20,680	6,968	12,031
	<u>112,774</u>	<u>55,770</u>	<u>26,150</u>	<u>38,794</u>
Finance charges repayable:				
Within one year	4,436	3,660	878	1,928
Between one and five years	2,182	2,748	459	1,337
	<u>6,618</u>	<u>6,408</u>	<u>1,337</u>	<u>3,265</u>
Net obligations repayable:				
Within one year	52,071	31,430	18,304	24,835
Between one and five years	21,765	17,932	6,509	10,694
	<u>£73,836</u>	<u>£49,362</u>	<u>£24,813</u>	<u>£35,529</u>

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

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Expiring:				
Within one year	-	12,781	-	655
Between one and five years	-	5,321	-	-
	<u>£-</u>	<u>£18,102</u>	<u>£-</u>	<u>£655</u>

15. Secured Debts

The following secured debtors are included within creditors:

	1999	1998
	£	£
Bank overdraft	867,951	900,353
Bank loans	197,379	225,078
Hire purchase contract	73,836	49,362
	<u>£1,139,166</u>	<u>£1,174,793</u>

16. Deferred taxation

The group had no liability to deferred tax for the years ended 31st December 1999 and 1998.

17. Called up share capital

	1999 and 1998	
	Authorised	Issued and
	£	Fully paid
		£
Ordinary shares of £1 each	<u>£100,000</u>	<u>£100</u>

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

18. Revaluation reserve

Company and group

	1999	1998
	£	£
At 1 st January 1999	139,530	141,630
Transfer to profit and loss account	(2,100)	(2,100)
At 31 st December 1999	<u>£137,430</u>	<u>£139,530</u>

19. Profit and loss account - group

	1999	1998
	£	£
At 1 st January 1999	22,905	199,889
(Loss)/profit for the year	(39,245)	(109,650)
Transfer from revaluation reserve	2,100	2,100
Investment and minority interest write off	(36,889)	(69,434)
Investment acquisition	(25)	-
At 31 st December 1999	<u>£(51,154)</u>	<u>£22,905</u>

Profit and loss account - company

	1999	1998
	£	£
At 1 st January 1999	138,180	187,020
Profit/(loss) for the year	5,463	(50,939)
Transfer from revaluation reserve	2,100	2,100
At 31 st December 1999	<u>£145,743</u>	<u>£138,181</u>

20. Reconciliation of movement in shareholders funds – group

	1999	1998
	£	£
(Loss) for the year	(39,245)	(179,084)
Investment and minority interest write off	(36,889)	-
Investment acquisition	(25)	-
Net reduction of shareholders funds	(76,159)	(179,084)
Shareholders funds at 1 st January 1999	162,535	341,619
Shareholders funds at 31 st December 1999	<u>£86,376</u>	<u>£162,535</u>

22. Contingent liabilities

The group had no contingent liabilities at 31st December 1999 or at 31st December 1998.

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

23. Reconciliation of operating profit to net cash inflow from operations.

	1999	1998
	£	£
Operating profit	87,467	58,190
Depreciation charges	74,695	72,574
Loss/(profit) on disposal of assets	6,031	(1,065)
Decrease/(increase) in stock	235,164	125,312
Decrease/(increase) in debtors	67,115	111,896
(Decrease)/increase in creditors	(130,807)	53,487
Net cash inflow from operating activities	<u>£339,665</u>	<u>£420,394</u>

24. Returns on investments and servicing of finance

	1999	1998
	£	£
Interest received	454	-
Interest paid	(118,858)	(161,629)
Interest element of hire purchase payments	(7,109)	(6,229)
Net cash outflow for returns on investments and servicing of finance	<u>£(125,513)</u>	<u>£(167,858)</u>

25. Capital expenditure and financial investment

	1999	1998
	£	£
Purchase of tangible fixed assets	(93,105)	(25,649)
Cash payments – investment purchases	(25)	-
Sale of tangible fixed assets	25,258	35,455
Net cash (outflow)/inflow for returns on investments and servicing of finance	<u>£(67,872)</u>	<u>£9,806</u>

26. Financing

	1999	1998
	£	£
Loan repayments in year	(89,056)	(75,078)
Net cash outflow from financing	<u>£(89,056)</u>	<u>£(75,078)</u>

HAMILTON CABLES LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 1999

27. Analysis of changes in debt

	At 1.1.99	Cash Flow	Other non-cash changes	At 31.12.98
	£	£	£	£
Net Cash				
Cash at bank and in hand	1,130	20,263		21,393
Bank overdraft and invoice discounting	(900,353)	32,402		(867,951)
	<u>(899,223)</u>	<u>52,665</u>		<u>(846,558)</u>
Debt				
Hire purchase	(49,362)	61,357	(85,831)	(73,836)
	<u>(49,362)</u>	<u>61,357</u>	<u>(85,831)</u>	<u>(73,836)</u>
Total	<u>£(948,585)</u>	<u>£114,022</u>	<u>£(85,831)</u>	<u>£(920,394)</u>
Analysed in balance sheet				
Cash at bank and in hand	1,130			21,393
Bank overdraft	(900,353)			(867,951)
Hire purchase				
Within one year	(31,430)			(52,071)
After one year	(17,932)			(21,765)
	<u>(948,585)</u>			<u>£(920,394)</u>