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**REGISTRAR OF  
COMPANIES**

**Cablesip Limited**

**Report and Financial Statements**

**Year Ended**

**31 July 1999**



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**BDO**

**BDO Stoy Hayward**  
Chartered Accountants

# **CABLESHIP LIMITED**

## **Annual report and financial statements for the year ended 31 July 1999**

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Directors

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### **Directors**

P Pela (Chairman)  
R Marshall  
D Moëd FCA  
R Bell

### **Secretary and registered office**

D Moëd FCA, The Hallmarks, 146 Field End Road, Eastcote, Pinner, Middlesex, HA5 1RJ.

### **World Wide Web Address**

[www.cableship.co.uk](http://www.cableship.co.uk)

### **Company number**

2027207

### **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

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## **CABLESHIP LIMITED**

### **Report of the directors for the year ended 31 July 1999**

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

#### **Results and dividends**

The profit for the year is set out on page 5.

The directors do not recommend the payment of a dividend.

#### **Principal activities, review of business and future developments**

The principal activity of the company is the supply of communications services and products through the design, installation and maintenance of network solutions and communications cabling systems.

The company, as an independent member of The Cable Group, has, for the 13th consecutive year, increased turnover and continued to invest into the future of the business.

Our focus continues to be towards improving the quality of our earnings by providing our clients with a wide range of integrated information technology solutions, which add value to and enhance their businesses.

Working throughout the UK and Europe the company has successfully completed numerous significant contracts for clients who include over 100 blue chip commercial and financial institutions. Continued client satisfaction and loyalty ensured over 50% of our business once again derived from existing clients across a wide, and growing, range of market sectors.

As a company committed to providing our clients with innovative solutions to their communications needs, irrespective of the size of project, we are continually striving to strengthen our partnerships with them and our suppliers. On a continuous basis we are furthering these aims by forging the necessary strategic alliances and investing extensively in training and development to allow us to provide existing and future clients with integrated information technology solutions capable to supporting their requirements.

The company has continued its focus on strengthening its human resource infrastructure so that it can remain a key force in the communications sector.

The Board remains encouraged by the company's performance and we are looking forward to further significant improvements in growth and profitability during the current year.

#### **Mission statement**

The company has adopted The Cable Group Mission Statement which focuses on the principal objectives of the group:

"Quality, Innovation and Customer Satisfaction are the group's hallmarks and we will polish these distinguishing features to sustain excellence, profitability and integrity for the benefit of our customers, investors and employees".

|   |   |   |   |
|---|---|---|---|
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## **CABLESHIP LIMITED**

### **Report of the directors for the year ended 31 July 1999 (Continued)**

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#### **Charitable donations**

Charitable donations in the year amounted to £5,281 (1998 - £1,572).

#### **Year 2000**

The directors have reviewed the impact of the Year 2000 on systems central to the company's ongoing activity. Although no organisation can guarantee that no Year 2000 problems will arise, the directors believe that the Year 2000 issue is unlikely to have any material adverse impact on the company's business. The cost of this review was not significant.

Since the end of 1999 no problems have been experienced by the company. The directors, however, are continuing to monitor the issue both internally and externally.

#### **Directors**

The directors of the company during the year were:

P Pela                      (Chairman)  
R Marshall  
D Moëd FCA  
R Bell

None of the directors has any interest in the shares of the company. Messrs Pela and Moëd are directors of the parent company, The Cable Group Limited, and their interests in its share capital are disclosed in the directors' report of that company.

The interest of the other directors in the share capital of the parent company, is as follows:

|            | <b>Ordinary shares of 1p each</b> |             |
|------------|-----------------------------------|-------------|
|            | <b>1999</b>                       | <b>1998</b> |
| R Marshall | 201,400                           | 201,400     |
| R Bell     | -                                 | -           |

In addition, R Bell has options over 40,000 ordinary shares under the group's Employee Share Option Scheme. These options can be exercised after certain specified events. The exercise price will be based on a valuation of the shares when they are exercised with a possible discount of 10% to 100% subject to a minimum payment of £0.01 per share.

## **CABLESHIP LIMITED**

### **Report of the directors for the year ended 31 July 1999 (Continued)**

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#### **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 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.

#### **Auditors**

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

#### **By order of the Board**

D Moëd FCA



#### **Secretary**

2 February 2000

## **CABLESHIP LIMITED**

### **Report of the auditors**

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#### **To the members of Cableship Limited**

We have audited the financial statements on pages 5 to 16 which have been prepared under the accounting policies as set out on pages 7 and 8.

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

As described on page 3 the company's directors are responsible for the preparation of the 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 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 assurances as to whether the financial statements are free from material mis-statement, 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 July 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**BDO STOY HAYWARD**  
*Chartered Accountants  
and Registered Auditors*  
London

2 February 2000

**CABLESHIP LIMITED****Profit and loss account for the year ended 31 July 1999**

|                                                      | Note | 1999<br>£   | 1998<br>£   |
|------------------------------------------------------|------|-------------|-------------|
| <b>Turnover</b>                                      | 2    | 28,676,571  | 20,325,732  |
| Cost of sales                                        |      | 23,126,637  | 15,691,959  |
|                                                      |      | <hr/>       | <hr/>       |
| <b>Gross profit</b>                                  |      | 5,549,934   | 4,633,773   |
| Administrative expenses                              |      | 4,817,366   | 4,185,437   |
|                                                      |      | <hr/>       | <hr/>       |
|                                                      |      | 732,568     | 448,336     |
| Other operating income                               | 3    | -           | 63,837      |
|                                                      |      | <hr/>       | <hr/>       |
| <b>Operating profit</b>                              | 4    | 732,568     | 512,173     |
| Interest payable and similar charges                 | 7    | 135,149     | 153,664     |
|                                                      |      | <hr/>       | <hr/>       |
| <b>Profit on ordinary activities before taxation</b> |      | 597,419     | 358,509     |
| Taxation on profit on ordinary activities            | 8    | 239,928     | 104,530     |
|                                                      |      | <hr/>       | <hr/>       |
| <b>Profit on ordinary activities after taxation</b>  |      | 357,491     | 253,979     |
| Retained profit brought forward                      |      | 1,110,291   | 856,312     |
|                                                      |      | <hr/>       | <hr/>       |
| <b>Retained profit carried forward</b>               |      | 1,467,782   | 1,110,291   |
|                                                      |      | <hr/> <hr/> | <hr/> <hr/> |

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 16 form part of these financial statements.

# CABLESHIP LIMITED

## Balance sheet at 31 July 1999

|                                                                | Note | 1999             | 1998             |
|----------------------------------------------------------------|------|------------------|------------------|
|                                                                |      | £                | £                |
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 9    | 1,497,598        | 991,514          |
| <b>Current assets</b>                                          |      |                  |                  |
| Stocks                                                         | 10   | 430,947          | 467,151          |
| Debtors - due within one year                                  | 11   | 7,013,444        | 6,753,482        |
| - due after one year                                           |      | 392,023          | -                |
| Cash at bank and in hand                                       |      | 410              | 114              |
|                                                                |      | <u>7,836,824</u> | <u>7,220,747</u> |
| <b>Creditors: amounts falling due within one year</b>          | 12   | <u>6,768,103</u> | <u>6,220,420</u> |
| <b>Net current assets</b>                                      |      | <u>1,068,721</u> | <u>1,000,327</u> |
| <b>Total assets less current liabilities</b>                   |      | <u>2,566,319</u> | <u>1,991,841</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 13   | <u>698,537</u>   | <u>481,550</u>   |
|                                                                |      | <u>1,867,782</u> | <u>1,510,291</u> |
| <b>Capital and reserves</b>                                    |      |                  |                  |
| Called up share capital                                        | 15   | 400,000          | 400,000          |
| Profit and loss account                                        | 16   | 1,467,782        | 1,110,291        |
| <b>Shareholders' funds - equity</b>                            |      | <u>1,867,782</u> | <u>1,510,291</u> |

The financial statements were approved by the Board on 2 February 2000

D Moëd FCA  
Director



The notes on pages 7 to 16 form part of these financial statements

# CABLESHIP LIMITED

Notes forming part of the financial statements for the year ended 31 July 1999

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## 1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Turnover*

Turnover represents sales to outside customers at invoiced amounts together with the value of work carried out to the balance sheet date on long-term contracts less value added tax and discounts allowed.

### *Restatement of comparatives*

Adjustments have been made to the allocation of expenses between cost of sales and administrative expenses in order to provide a more meaningful gross profit margin. The comparative balances for prior periods have been restated giving rise to a £378,647 increase in cost of sales and a corresponding decrease in administrative expenses.

### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated on a straight line basis at the following annual rates:

|                          |                       |
|--------------------------|-----------------------|
| Freehold buildings       | - 2%                  |
| Leasehold buildings      | - 10%                 |
| Improvements to premises | - at either 2% or 20% |
| Fixtures and fittings    | - 20%                 |
| Office equipment         | - 33 1/3%             |
| Motor vehicles           | - 25%                 |

### *Stocks*

Stocks and work-in-progress are valued in accordance with SSAP 9 at the lower of cost and net realisable value. Cost is calculated as follows:

|                  |                                                                                                                 |
|------------------|-----------------------------------------------------------------------------------------------------------------|
| Raw materials    | - cost of purchase.                                                                                             |
| Work-in-progress | - cost of raw materials and labour, together with attributable overheads based on the normal level of activity. |

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

### *Long-term contracts*

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

## **CABLESHIP LIMITED**

**Notes forming part of the financial statements for the year ended 31 July 1999 (*Continued*)**

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### **1 Accounting policies (*Continued*)**

#### *Short-term contracts*

Profits are recognised following practical completion of contracts. For period schedule work, contracts are determined on an individual job basis rather than for the schedule as a whole.

#### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

#### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between their capital and interest components using a method which approximates to the actuarial method. The interest is charged to the profit and loss account. The capital part reduces the amounts payable to the lessor.

All other leases are treated as 'operating leases'. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

#### *Sale and leaseback transactions*

Where the company enters into arrangements for the sale and leaseback of assets where the rights approximating to ownership are not surrendered, the proceeds received are treated as a loan secured over the specific asset. In all other respects, the treatment is as for an asset acquired by means of a finance lease.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

### **2 Turnover and profit**

The turnover and profit before tax is attributable to the company's principal activity and derived from sales made principally in the United Kingdom. Sales to Europe amounted to £281,536 (1998 - £346,250).

# CABLESHIP LIMITED

Notes forming part of the financial statements for the year ended 31 July 1999 (Continued)

## 3 Other operating income

|                | 1999<br>£ | 1998<br>£ |
|----------------|-----------|-----------|
| Royalty income | -         | 63,837    |

## 4 Operating profit

This is stated after charging/(crediting):

|                                             |          |         |
|---------------------------------------------|----------|---------|
| Depreciation on owned assets                | 128,564  | 89,841  |
| Depreciation on assets under finance leases | 455,051  | 427,965 |
| (Profit)/loss on sale of fixed assets       | (57,396) | 9,883   |
| Auditors' remuneration - audit services     | 20,300   | 15,000  |
| - non audit services                        | 171,390  | 33,301  |
| Operating leases - land and buildings       | 82,747   | 89,000  |
| - plant and machinery                       | 200,356  | 38,227  |

## 5 Employees

The average number of employees, including directors, during the year was as follows:

|                | Number | Number |
|----------------|--------|--------|
| Administration | 77     | 68     |
| Direct staff   | 105    | 86     |
|                | 182    | 154    |

Staff costs (including directors) consist of:

|                       | £         | £         |
|-----------------------|-----------|-----------|
| Wages and salaries    | 5,304,669 | 3,982,577 |
| Social security costs | 558,729   | 468,196   |
| Other pension costs   | 236,678   | 120,144   |
|                       | 6,100,076 | 4,570,917 |

**CABLESHIP LIMITED**Notes forming part of the financial statements for the year ended 31 July 1999 *(Continued)***6 Directors' emoluments**

|                                      | 1999<br>£      | 1998<br>£      |
|--------------------------------------|----------------|----------------|
| Remuneration for management services | 343,019        | 477,717        |
| Pension contributions                | 13,500         | 28,251         |
|                                      | <u>356,519</u> | <u>505,968</u> |

The number of directors included in the company's defined contribution pension scheme is 2 (1998 - 2).

|                                                                       | 1999<br>£ | 1998<br>£ |
|-----------------------------------------------------------------------|-----------|-----------|
| Emoluments (excluding pension contributions) of highest paid director | 128,086   | 163,900   |

**7 Interest payable and similar charges**

|                                   |                |                |
|-----------------------------------|----------------|----------------|
| Bank overdrafts                   | 64,598         | 84,077         |
| Loans repayable within five years | 8,646          | 21,540         |
| Finance leases                    | 61,905         | 48,047         |
|                                   | <u>135,149</u> | <u>153,664</u> |

**8 Taxation on profit on ordinary activities**

|                                        |                |                |
|----------------------------------------|----------------|----------------|
| UK corporation tax                     | 249,964        | 106,000        |
| Overprovision in respect of prior year | (10,036)       | (1,470)        |
|                                        | <u>239,928</u> | <u>104,530</u> |

The charge to corporation tax has been reduced by approximately £Nil (1998 - £57,000) due to group relief.

# CABLESHIP LIMITED

Notes forming part of the financial statements for the year ended 31 July 1999 (*Continued*)

## 9 Tangible fixed assets

|                          | Land and<br>buildings<br>£ | Improvements<br>to premises<br>£ | Fixtures<br>and<br>fittings<br>£ | Office<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|--------------------------|----------------------------|----------------------------------|----------------------------------|--------------------------|------------------------|------------|
| <i>Cost</i>              |                            |                                  |                                  |                          |                        |            |
| At 1 August 1998         | 59,600                     | 62,021                           | 98,608                           | 765,692                  | 1,459,595              | 2,445,516  |
| Additions                | -                          | 20,847                           | 29,502                           | 163,435                  | 903,516                | 1,117,300  |
| Disposals                | -                          | -                                | -                                | -                        | (386,073)              | (386,073)  |
| At 31 July 1999          | 59,600                     | 82,868                           | 128,110                          | 929,127                  | 1,977,038              | 3,176,743  |
| <i>Depreciation</i>      |                            |                                  |                                  |                          |                        |            |
| At 1 August 1998         | 11,200                     | 34,781                           | 74,836                           | 573,501                  | 759,684                | 1,454,002  |
| Provided for<br>the year | 1,100                      | 14,001                           | 11,476                           | 172,503                  | 384,535                | 583,615    |
| Disposals                | -                          | -                                | -                                | -                        | (358,472)              | (358,472)  |
| At 31 July 1999          | 12,300                     | 48,782                           | 86,312                           | 746,004                  | 785,747                | 1,679,145  |
| <i>Net book value</i>    |                            |                                  |                                  |                          |                        |            |
| At 31 July 1999          | 47,300                     | 34,086                           | 41,798                           | 183,123                  | 1,191,291              | 1,497,598  |
| At 31 July 1998          | 48,400                     | 27,240                           | 23,772                           | 192,191                  | 699,911                | 991,514    |

**CABLESHIP LIMITED****Notes forming part of the financial statements for the year ended 31 July 1999 (Continued)****9 Tangible fixed assets (Continued)**

| Land and buildings       | 1999<br>£     | 1998<br>£     |
|--------------------------|---------------|---------------|
| Cost                     |               |               |
| Freehold                 | 55,000        | 55,000        |
| Short leasehold          | 4,600         | 4,600         |
|                          | <u>59,600</u> | <u>59,600</u> |
| Accumulated depreciation |               |               |
| Freehold                 | 7,700         | 6,600         |
| Short leasehold          | 4,600         | 4,600         |
|                          | <u>12,300</u> | <u>11,200</u> |

The net book value of tangible fixed assets includes an amount of £1,221,485 (1998 - £804,884) in respect of assets held under finance leases.

**10 Stocks**

|                  | 1999<br>£      | 1998<br>£      |
|------------------|----------------|----------------|
| Raw materials    | 133,053        | 155,913        |
| Work in progress | 297,894        | 311,238        |
|                  | <u>430,947</u> | <u>467,151</u> |

The replacement value of stock is not significantly different from cost.

**CABLESHIP LIMITED****Notes forming part of the financial statements for the year ended 31 July 1999 (Continued)****11 Debtors**

|                                    | 1999<br>£        | 1998<br>£        |
|------------------------------------|------------------|------------------|
| Due within one year                |                  |                  |
| Trade debtors                      | 2,532,143        | 2,563,210        |
| Other debtors                      | 6,104            | 1,238            |
| Prepayments and accrued income     | 54,379           | 80,333           |
| Amounts recoverable on contracts   | 4,420,818        | 3,928,823        |
| Amounts owed by group undertakings | -                | 179,878          |
|                                    | <u>7,013,444</u> | <u>6,753,482</u> |
| Due after more than one year       |                  |                  |
| Amounts recoverable on contracts   | <u>392,023</u>   | <u>-</u>         |

**12 Creditors: amounts falling due within one year**

|                                                        |                  |                  |
|--------------------------------------------------------|------------------|------------------|
| Bank loans and overdrafts (secured - see below)        | 801,680          | 720,741          |
| Payments received on account                           | 622,584          | 1,057,732        |
| Trade creditors                                        | 3,398,133        | 3,237,286        |
| Other creditors                                        | -                | 71,260           |
| Taxation and social security                           | 699,745          | 400,539          |
| Corporation tax                                        | 249,964          | 106,000          |
| Obligations under finance leases (secured - see below) | 445,612          | 274,554          |
| Accruals and deferred income                           | 285,326          | 352,308          |
| Amounts owed to parent undertaking                     | 265,059          | -                |
|                                                        | <u>6,768,103</u> | <u>6,220,420</u> |

The bank borrowings are secured by a fixed and floating charge over the assets of the company together with an unlimited guarantee given by the parent company.

The obligations under finance leases are secured on the respective assets financed.

**CABLESHIP LIMITED**Notes forming part of the financial statements for the year ended 31 July 1999 *(Continued)***13 Creditors: amounts falling due after more than one year**

|                                                          | 1999<br>£      | 1998<br>£      |
|----------------------------------------------------------|----------------|----------------|
| Bank loans and overdrafts (secured - see note 12)        | 43,251         | 73,880         |
| Obligations under finance leases (secured - see note 12) | 655,286        | 407,670        |
|                                                          | <u>698,537</u> | <u>481,550</u> |

Bank loans are due as follows:

|                    |               |               |
|--------------------|---------------|---------------|
| Within 1 - 2 years | 28,075        | 25,077        |
| Within 2 - 5 years | 15,176        | 48,803        |
|                    | <u>43,251</u> | <u>73,880</u> |

Repayment is in monthly instalments of principal and interest to achieve full repayment by October 2001. Interest is repayable at 2.75% above the bank's base rate.

|                                                      | 1999<br>£      | 1998<br>£      |
|------------------------------------------------------|----------------|----------------|
| Obligations under finance leases are due as follows: |                |                |
| Within 1 - 2 years                                   | 279,499        | 118,299        |
| Within 2 - 5 years                                   | 375,787        | 289,371        |
|                                                      | <u>655,286</u> | <u>407,670</u> |

**14 Deferred taxation**

The amount of unprovided deferred taxation is as follows:

|                                |         |          |
|--------------------------------|---------|----------|
| Accelerated capital allowances | (2,803) | (97,432) |
|                                | <u></u> | <u></u>  |

**15 Share capital**

|                                                       |         |         |
|-------------------------------------------------------|---------|---------|
| <i>Authorised, allotted, called up and fully paid</i> |         |         |
| Ordinary shares of £1 each                            | 400,000 | 400,000 |
|                                                       | <u></u> | <u></u> |

## CABLESHIP LIMITED

Notes forming part of the financial statements for the year ended 31 July 1999 (*Continued*)

### 16 Profit and loss account

|                              | 1999<br>£ | 1998<br>£ |
|------------------------------|-----------|-----------|
| At beginning of year         | 1,110,291 | 856,312   |
| Profit retained for the year | 357,491   | 253,979   |
|                              | <hr/>     | <hr/>     |
| At end of year               | 1,467,782 | 1,110,291 |
|                              | <hr/>     | <hr/>     |

### 17 Reconciliation of movements in shareholders' funds

|                               |           |           |
|-------------------------------|-----------|-----------|
| Profit for the financial year | 357,491   | 253,979   |
| Opening shareholders' funds   | 1,510,291 | 1,256,312 |
|                               | <hr/>     | <hr/>     |
| Closing shareholders' funds   | 1,867,782 | 1,510,291 |
|                               | <hr/>     | <hr/>     |

### 18 Contingent liabilities

The company has entered into an unlimited cross guarantee with the group's bankers in respect of the bank balances of group companies. At 31 July 1999 the balances guaranteed by the company in respect of group companies amounted to £1,022,517 (1998 - £434,873).

### 19 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge of £236,678 (1998 - £120,144) represents contributions payable by the company to the fund.

## CABLESHIP LIMITED

Notes forming part of the financial statements for the year ended 31 July 1999 (*Continued*)

### 20 Commitments under operating leases

As at 31 July 1999, the company had annual commitments under non-cancellable operating leases as set out below:

|                                            | 1999<br>£ | 1998<br>£ |
|--------------------------------------------|-----------|-----------|
| Operating leases which expire:             |           |           |
| Within one year - plant and equipment      | -         | 8,364     |
| In two to five years - plant and equipment | 46,213    | -         |
| In two to five years - land and buildings  | 64,000    | 64,000    |
|                                            | <hr/>     | <hr/>     |
|                                            | 110,213   | 72,364    |
|                                            | <hr/>     | <hr/>     |

### 21 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 not to disclose transactions with The Cable Group Limited and Cablessoft Limited.

As at 31 July 1999 the following balances existed:

£265,059 (1998 - (£179,878) owed to/(by) The Cable Group Limited, the company's parent company.

During the year the company has rented premises from Mr P Pela at a market rental amounting to £18,747 (1998 - £25,000).

### 22 Ultimate parent company

The ultimate parent company is The Cable Group Limited, a company registered in England.

The ultimate controlling party is Mr P Pela, a director and the majority shareholder of The Cable Group Limited.

### 23 Statement of cash flows

The company has adopted the exemption in Financial Reporting Standard 1 (revised) and has not presented a statement of cash flows on the grounds that the company cash flows are included in the statement presented in the group accounts.