

2027207

**REGISTRAR OF
COMPANIES**

**Comunica Plc
(formerly Cableschip Limited)**

Report and Financial Statements

Period ended

31 May 2000



BDO Stoy Hayward
Chartered Accountants

COMUNICA PLC (formerly Cableschip Limited)

Annual report and financial statements for the period ended 31 May 2000

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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.comunicapl.co.uk

Company number

2027207

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

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COMUNICA PLC (formerly Cableschip Limited)

Report of the directors for the period ended 31 May 2000

The directors present their report together with the audited financial statements for the period ended 31 May 2000.

Results and dividends

The profit for the period is set out on page 6.

The directors have paid an interim dividend of £1,465,000 (1999 - £Nil). No final dividend is proposed.

Principal activities, review of business and future developments

The principal activity of the company is the supply of tailor-made communication solutions through the design, implementation and maintenance of network and cabling infrastructures.

The company was renamed Comunica Plc in February 2000 and having been an independent member of The Cable Group for fourteen years was, with effect from 1 June 2000, separated out into a new group, Comunica Holdings Plc, as a result of a restructuring.

The ownership and management of the business have not changed and our focus continues to be improving the quality of our earnings by enabling our clients to optimise their communications to enhance and add value to their organisations.

Working throughout the UK and Europe, the company has successfully completed a number of significant contracts for clients who include over 120 blue chip commercial and financial institutions. Continued client satisfaction and loyalty ensured over 65% 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, 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 forging the necessary strategic alliances and investing extensively in training and development to ensure that we remain at the leading edge.

The Board is encouraged by the company's performance. The level of activity in our traditional markets, coupled with our approach towards reacting to change and expanding our business in other areas, has resulted in a promising start to trading and we are looking forward to further significant improvements in growth and profitability during the current year.

COMUNICA PLC (formerly Cableschip Limited)

Report of the directors for the period ended 31 May 2000 (*Continued*)

Purpose and vision

As a business that operates in a fast changing sector, we have clearly defined our purpose and vision to underpin our philosophy for all our stakeholders.

Purpose

Comunica is dedicated to enabling its clients to maximise their communication infrastructure, so enhancing and adding value to their business.

Vision

- To be the choice for clients, suppliers and employees.
- To be recognised as a leading edge provider.
- To be seen as a centre of excellence
- To generate good profits which can be reinvested in the company, thus:
 - Providing staff with the opportunity of career development
 - Creating a satisfying place to work and providing growth for all stakeholders in the business.

Charitable donations

Charitable donations in the period amounted to £5,554 (1999 - £5,281).

Creditor payment policy

The company's policy for the period to 31 May 2000 for all suppliers, is to fix terms of payment when agreeing the terms of each business transaction, to ensure the supplier is aware of those terms and to abide by the agreed terms of payment. Year end trade creditors represent 68 days (1999 – 62 days) purchases.

COMUNICA PLC (formerly Cablesip Limited)

Report of the directors for the period ended 31 May 2000 (Continued)

Directors

The directors of the company during the period were:

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

None of the directors has any interest in the shares of the company. The interest of directors in the share capital of the parent company, The Cable Group Limited is as follows:

	At 31 May 2000 and 31 July 1999	
	Ordinary shares of 1p each	'C' ordinary shares of US\$ 0.016
P Pela	2,023,800	20,238,000
R Marshall	-	-
D Moëd	201,400	2,014,000
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.

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.

COMUNICA PLC (formerly Cablesip Limited)

Report of the directors for the period ended 31 May 2000 (*Continued*)

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

A handwritten signature in black ink, appearing to read 'D Moëd', written over the text 'By order of the Board'.

D Moëd FCA

Secretary

21 December 2000

COMUNICA PLC (formerly Cableschip Limited)

Report of the auditors

To the members of Comunica Plc

We have audited the financial statements on pages 6 to 20 which have been prepared under the accounting policies as set out on pages 9 and 10.

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 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 May 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors
London*

21 December 2000

COMUNICA PLC (formerly Cableschip Limited)**Profit and loss account for the period ended 31 May 2000**

	Note	10 months ended 31 May 2000 £	Year ended 31 July 1999 £
Turnover	2	23,867,612	28,676,571
Cost of sales		18,833,626	23,126,637
Gross profit		5,033,986	5,549,934
Administrative expenses		4,700,893	4,817,366
Operating profit	3	333,093	732,568
Interest payable and similar charges	6	129,677	135,149
Profit on ordinary activities before taxation		203,416	597,419
Taxation on profit on ordinary activities	7	115,797	239,928
Profit on ordinary activities after taxation		87,619	357,491
Dividend paid		1,465,000	-
Retained (deficit)/surplus for the financial year		(1,377,381)	357,491
Retained profit brought forward		1,467,782	1,110,291
Retained profit carried forward		90,401	1,467,782

All amounts relate to continuing activities.

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

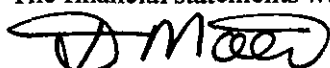
The notes on pages 9 to 20 form part of these financial statements.

COMUNICA PLC (formerly Cableschip Limited)

Balance sheet at 31 May 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	8	1,588,846	1,497,598
Current assets			
Stocks	9	414,926	430,947
Debtors - due within one year	10	7,807,423	7,013,444
- due after one year	10	29,288	392,023
Cash at bank and in hand		979	410
		<u>8,252,616</u>	<u>7,836,824</u>
Creditors: amounts falling due within one year	11	<u>7,905,733</u>	<u>6,768,103</u>
Net current assets		<u>346,883</u>	<u>1,068,721</u>
Total assets less current liabilities		<u>1,935,729</u>	<u>2,566,319</u>
Creditors: amounts falling due after more than one year	12	<u>945,328</u>	<u>698,537</u>
		<u>990,401</u>	<u>1,867,782</u>
Capital and reserves			
Called up share capital	14	900,000	400,000
Profit and loss account	15	90,401	1,467,782
Shareholders' funds - equity		<u>990,401</u>	<u>1,867,782</u>

The financial statements were approved by the Board on 21 December 2000



D Moëd FCA
Director

The notes on pages 9 to 20 form part of these financial statements.

COMUNICA PLC (formerly Cableschip Limited)**Cash flow statement for the period ended 31 May 2000**

	Note	2000	1999
		£	£
Net cash (outflow)/inflow from operating activities	20	(1,321,315)	794,728
Returns on investments and servicing of finance			
Interest paid		(68,124)	(73,244)
Interest element of finance lease rentals payments		(61,553)	(61,905)
		<u>(129,677)</u>	<u>(135,149)</u>
Taxation			
UK corporation tax		(335,838)	(95,964)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(176,374)	(213,784)
Sale of tangible fixed assets		202,090	84,997
		<u>25,716</u>	<u>(128,787)</u>
Cash inflow before financing		<u>(1,761,114)</u>	<u>434,828</u>
Financing			
Redemption of bank loan		(26,151)	(27,631)
Bank loans taken out		700,000	-
Capital element of finance lease payments		(408,320)	(484,842)
		<u>265,529</u>	<u>(512,473)</u>
Decrease in cash	22	<u>(1,495,585)</u>	<u>(77,645)</u>

The significant net cash outflow from operating activities has been adjusted to reflect a fall in amounts due from the parent company due to the dividend of £1,465,000 declared. This is offset by an increase of £500,000 due from the parent company due to the issue of share capital in the period.

These transactions had no cash impact and are therefore not reflected in the cashflow statement.

The notes on pages 9 to 20 form part of these financial statements.

COMUNICA PLC (formerly Cablesip Limited)

Notes forming part of the financial statements for the period ended 31 May 2000

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.

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 ⅓%
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.

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.

COMUNICA PLC (formerly Cableschip Limited)

Notes forming part of the financial statements for the period ended 31 May 2000 (*Continued*)

1 Accounting policies (*Continued*)

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 £26,984 (1999 - £281,536).

COMUNICA PLC (formerly Cableschip Limited)**Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)****3 Operating profit**

	10 months ended 31 May 2000 £	Year ended 31 July 1999 £
This is stated after charging/(crediting):		
Depreciation on owned assets	178,723	128,564
Depreciation on assets under finance leases	380,091	455,051
Profit on sale of fixed assets	(41,856)	(57,396)
Auditors' remuneration - audit services	30,000	20,300
- non audit services	120,793	171,390
Operating leases - land and buildings	84,575	82,747
- plant and machinery	181,978	200,356
	<u> </u>	<u> </u>

4 Employees

	10 months ended 31 May 2000 £	Year ended 31 July 1999 £
Staff costs (including directors) consist of:		
Wages and salaries	4,638,554	5,304,669
Social security costs	565,904	558,729
Other pension costs	162,901	236,678
	<u> </u>	<u> </u>
	5,367,359	6,100,076
	<u> </u>	<u> </u>

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

	Number	Number
Administration	86	77
Direct staff	108	105
	<u> </u>	<u> </u>
	194	182
	<u> </u>	<u> </u>

COMUNICA PLC (formerly Cableschip Limited)**Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)****5 Directors' emoluments**

	10 months ended 31 May 2000 £	Year ended 31 July 1999 £
Remuneration for management services	326,714	343,019
Pension contributions	26,758	23,773
	<u>353,472</u>	<u>366,792</u>

The number of directors included in the company's defined contribution pension scheme is 3 (1999 - 3).

	10 months ended 31 May 2000 £	Year ended 31 July 1999 £
Emoluments (excluding pension contributions) of highest paid director	122,320	128,086

6 Interest payable and similar charges

	10 months ended 31 May 2000 £	Year ended 31 July 1999 £
Bank overdrafts	45,726	64,598
Loans repayable within five years	22,398	8,646
Finance leases	61,553	61,905
	<u>129,677</u>	<u>135,149</u>

7 Taxation on profit on ordinary activities

	10 months ended 31 May 2000 £	Year ended 31 July 1999 £
UK corporation tax	151,280	249,964
Overprovision in respect of prior year	(35,483)	(10,036)
	<u>115,797</u>	<u>239,928</u>

COMUNICA PLC (formerly Cableschip Limited)

Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)

8 Tangible fixed assets

	Land and buildings £	Improvements to premises £	Fixtures and fittings £	Office equipment £	Motor vehicles £	Total £
<i>Cost</i>						
At 1 August 1999	59,600	82,868	128,110	929,127	1,977,038	3,176,743
Additions	-	-	26,622	149,752	633,922	810,296
Disposals	-	-	-	(89,283)	(460,515)	(549,798)
	<u>59,600</u>	<u>82,868</u>	<u>154,732</u>	<u>989,596</u>	<u>2,150,445</u>	<u>3,437,241</u>
At 31 May 2000	<u>59,600</u>	<u>82,868</u>	<u>154,732</u>	<u>989,596</u>	<u>2,150,445</u>	<u>3,437,241</u>
<i>Depreciation</i>						
At 1 August 1999	12,300	48,782	86,311	746,005	785,747	1,679,145
Provided for the period	1,683	12,180	12,448	116,107	416,396	558,814
Disposals	-	-	-	(9,919)	(379,645)	(389,564)
	<u>13,983</u>	<u>60,962</u>	<u>98,759</u>	<u>852,193</u>	<u>822,498</u>	<u>1,848,395</u>
At 31 May 2000	<u>13,983</u>	<u>60,962</u>	<u>98,759</u>	<u>852,193</u>	<u>822,498</u>	<u>1,848,395</u>
<i>Net book value</i>						
At 31 May 2000	<u>45,617</u>	<u>21,906</u>	<u>55,973</u>	<u>137,403</u>	<u>1,327,947</u>	<u>1,588,846</u>
At 31 July 1999	<u>47,300</u>	<u>34,086</u>	<u>41,798</u>	<u>183,123</u>	<u>1,191,291</u>	<u>1,497,598</u>

COMUNICA PLC (formerly Cablesip Limited)**Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)****8 Tangible fixed assets (Continued)**

Land and buildings	2000 £	1999 £
Cost		
Freehold	55,000	55,000
Short leasehold	4,600	4,600
	<u>59,600</u>	<u>59,600</u>
Accumulated depreciation		
Freehold	9,383	7,700
Short leasehold	4,600	4,600
	<u>13,983</u>	<u>12,300</u>

The net book value of tangible fixed assets includes an amount of £1,321,396 (1999 - £1,221,485) in respect of assets held under finance leases.

9 Stocks

	2000 £	1999 £
Raw materials	155,999	133,053
Work in progress	258,927	297,894
	<u>414,926</u>	<u>430,947</u>

In the opinion of the directors, the replacement value of stock is not materially different from cost.

COMUNICA PLC (formerly Cableschip Limited)

Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)

10 Debtors

	2000 £	1999 £
Due within one year		
Trade debtors	2,749,450	2,532,143
Other debtors	13,654	6,104
Prepayments and accrued income	140,596	54,379
Amounts recoverable on contracts	4,671,345	4,420,818
Amounts owed by fellow subsidiary undertakings	232,378	-
	<u>7,807,423</u>	<u>7,013,444</u>
Due after more than one year		
Amounts recoverable on contracts	29,288	392,023
	<u>29,288</u>	<u>392,023</u>

11 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts (secured – note 12)	2,885,567	801,680
Payments received on account	448,961	622,584
Trade creditors	3,392,738	3,398,133
Taxation and social security	310,129	699,745
Corporation tax	29,923	249,964
Obligations under finance leases (secured – note 12)	510,539	445,612
Accruals and deferred income	246,552	285,326
Amounts owed to parent undertaking	17,877	265,059
Amounts owed to fellow subsidiary undertaking	63,447	-
	<u>7,905,733</u>	<u>6,768,103</u>

COMUNICA PLC (formerly Cableschip Limited)**Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)****12 Creditors: amounts falling due after more than one year**

	2000 £	1999 £
Bank loans and overdrafts (secured - see below)	129,367	43,251
Obligations under finance leases (secured - see below)	815,961	655,286
	<u>945,328</u>	<u>698,537</u>
Bank loans are due as follows:		
Within 1 - 2 years	89,367	28,075
Within 2 - 5 years	40,000	15,176
	<u>129,367</u>	<u>43,251</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.

Bank loans consist of two separate loans. On the first repayment is in monthly instalments of principal and interest to achieve full repayment by October 2001. On the second repayment is in quarterly instalments by 1 October 2002. Interest is repayable at 2.75% above the bank's base rate.

	2000 £	1999 £
Obligations under finance leases are due as follows:		
Within 1 - 2 years	527,587	279,499
Within 2 - 5 years	288,374	375,787
	<u>815,961</u>	<u>655,286</u>

13 Deferred taxation

	2000 £	1999 £
The amount of unprovided deferred taxation is as follows:		
Accelerated capital allowances	(119,471)	(2,803)

COMUNICA PLC (formerly Cables Ship Limited)**Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)****14 Share capital**

	Authorised		Allotted, called up and fully paid	
	2000 £	1999 £	2000 £	1999 £
Ordinary shares of £1 each	900,000	400,000	900,000	400,000

500,000 ordinary shares of £1 each were issued to The Cable Group Limited, the parent company, at par during the period.

15 Profit and loss account

	2000 £	1999 £
At beginning of year	1,467,782	1,110,291
Retained (deficit)/surplus for the year	(1,377,381)	357,491
At end of year	90,401	1,467,782

16 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the year	87,619	357,491
Dividends paid	(1,465,000)	-
Issue of share capital	500,000	-
Opening shareholders' funds	(877,381) 1,867,782	357,491 1,510,291
Closing shareholders' funds	990,401	1,867,782

17 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 May 2000 the balances guaranteed by the company in respect of group companies amounted to £Nil (1999 - £1,022,517).

COMUNICA PLC (formerly Cableschip Limited)**Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)****18 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 £162,901 (1999 - £236,678) represents contributions payable by the company to the fund.

19 Commitments under operating leases

As at 31 May 2000, the company had annual commitments under non-cancellable operating leases as set out below:

	2000 £	1999 £
Operating leases which expire:		
In two to five years - plant and equipment	135,226	46,213
In two to five years - land and buildings	93,575	64,000
	<u>228,801</u>	<u>110,213</u>

20 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2000 £	1999 £
Operating profit	333,093	732,568
Depreciation	558,814	583,615
Profit on sale of fixed assets	(41,856)	(57,396)
Decrease in stocks	16,021	36,204
Increase in debtors	(431,244)	(651,985)
(Decrease)/increase in creditors	(1,756,143)	151,722
	<u> </u>	<u> </u>
Net cash (outflow)/inflow from operating activities	<u>(1,321,315)</u>	<u>794,728</u>

COMUNICA PLC (formerly Cableship Limited)

Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)

21 Reconciliation of net cash inflow to movement in net debt

	2000 £	1999 £
Decrease in cash in the year	(1,495,585)	(77,645)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(265,529)	512,473
Change in net debt resulting from cash flows	(1,761,114)	434,828
New finance leases entered into	(633,922)	(903,516)
Movement in net debt in the year	(2,395,036)	(468,688)
Opening net debt	(1,945,419)	(1,476,731)
Closing net debt	(4,340,455)	(1,945,419)

22 Analysis of net debt

	At 1 August 1999 £	Cash flow £	Other non-cash changes £	At 31 May 2000 £
Cash in hand and at bank	410	569	-	979
Overdrafts	(773,605)	(1,496,154)	-	(2,269,759)
	(773,195)	(1,495,585)	-	(2,268,780)
Debt due after 1 year	(43,251)	(86,116)	-	(129,367)
Debt due within 1 year	(28,075)	(587,733)	-	(615,808)
Finance leases	(1,100,898)	408,320	(633,922)	(1,326,500)
Total	(1,945,419)	(1,761,114)	(633,922)	(4,340,455)

23 Related party transactions

Transactions with group companies consist of a management fee of £139,763 paid to The Cable Group Limited.

As at 31 May 2000 the following balances existed:

£17,877 (1999 - £265,059) owed to The Cable Group Limited, the company's parent company.

COMUNICA PLC (formerly Cableschip Limited)

Notes forming part of the financial statements for the period ended 31 May 2000 (Continued)

23 Related party transactions (Continued)

Amounts owed by fellow subsidiary undertakings:

	2000 £	1999 £
Cablessoft Limited	188,452	-
Cablessoft (UK) Limited	43,926	-
	232,378	-

During the prior year the company rented premises from Mr P Pela at a market rental amounting to £18,747.

24 Ultimate parent company

The ultimate parent company is The Cable Group Limited, a company registered in England. The Cable Group Limited is the parent company of the smallest and largest group of which this company is a member.

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