Registrar of Companies Copy

Company Registration No. 2321021 (England and Wales)

GEMACO HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000



CGJ Partnership
CHARTERED ACCOUNTANTS

GEMACO HOLDINGS LIMITED

COMPANY INFORMATION

Directors	P Lodge A Lodge
Secretary	Mrs Y Lodge
Company number	2321021
Registered office	32-40 Harwell Road, Nuffield Industrial Estate Poole Dorset BH17 0GE
Auditors	C G J Partnership Chartered Accountants Tower House Parkstone Road Poole Dorset BH15 2JH
Business address	32-40 Harwell Road, Nuffield Industrial Estate Poole Dorset BH17 0GE

GEMACO HOLDINGS LIMITED

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GEMACO HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and financial statements for the year ended 31 December 2000.

Principal activities
The principal activity of the company continued to be that of the provision of management services and assets to its wholly owned subsidiary Cable First Limited.

Directors
The following directors have held office since 1 January 2000:

P Lodge
A Lodge

Directors' interests
The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares class A of 10p each	
	31 December 2000	**1 January 2000**
P Lodge	20,001	20,001
A Lodge	19,999	19,999

	Ordinary shares class B of 10p each	
	31 December 2000	**1 January 2000**
P Lodge	-	-
A Lodge	-	-

	Ordinary shares class C of 10p each	
	31 December 2000	**1 January 2000**
P Lodge	-	-
A Lodge	-	-

The shareholding of A Lodge includes a non-beneficial interest of 1250 'C' shares.

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that C G J Partnership be reappointed as auditors of the company will be put to the Annual General Meeting.

GEMACO HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2000

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;
- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

M. Lodge

Mrs Y Lodge
Secretary
14/5/01

GEMACO HOLDINGS LIMITED

AUDITORS' REPORT
TO THE SHAREHOLDERS OF GEMACO HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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 the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CGJ Partnership

C G J Partnership

15/5/01

Chartered Accountants
Registered Auditor

Tower House
Parkstone Road
Poole
Dorset
BH15 2JH

GEMACO HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Turnover		343,684	324,977
Cost of sales		(125,312)	(103,974)
Gross profit		218,372	221,003
Administrative expenses		(120,659)	(107,131)
Other operating income		329	18,326
Operating profit	2	98,042	132,198
Interest payable and similar charges		(43,074)	(42,566)
Profit on ordinary activities before taxation		54,968	89,632
Tax on profit on ordinary activities	3	(13,002)	2,581
Profit on ordinary activities after taxation	11	41,966	92,213

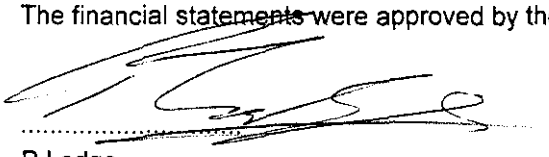
GEMACO HOLDINGS LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed assets					
Tangible assets	**4 and 5**		912,810		920,322
Investments	**6**		2		2
			912,812		920,324
Current assets					
Debtors	**7**	336,108		415,641	
Cash at bank and in hand		15,695		8,002	
		351,803		423,643	
Creditors: amounts falling due within one year	**8**	(422,107)		(565,610)	
Net current liabilities			(70,304)		(141,967)
Total assets less current liabilities			842,508		778,357
Creditors: amounts falling due after more than one year	**9**		(360,335)		(337,650)
			482,173		440,707
Capital and reserves					
Called up share capital	**10**		4,500		5,000
Share premium account	**11**		70,000		70,000
Profit and loss account	**11**		407,673		365,707
Shareholders' funds			482,173		440,707

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 14/5/01



P Lodge
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties valued by the directors on an existing use open market value basis. Other tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.4 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	104,800	88,348
Auditors' remuneration	1,750	2,000
Directors' emoluments	53,940	52,896

3 Taxation

	2000	1999
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (1999 - 20%)	13,002	-
Prior years		
U.K. corporation tax	-	(2,581)
	13,002	(2,581)

4 Tangible fixed assets

	Land and buildings	Motor vehicles	Plant and machinery	Total
	£	£	£	£
Cost				
At 1 January 2000	435,905	17,000	790,485	1,243,390
Additions	-	-	97,288	97,288
At 31 December 2000	435,905	17,000	887,773	1,340,678
Depreciation				
At 1 January 2000	29,542	6,635	463,843	500,020
Charge for the year	8,718	2,591	93,491	104,800
At 31 December 2000	38,260	9,226	557,334	604,820
Net book value				
At 31 December 2000	397,645	7,774	330,439	735,858
At 31 December 1999	406,363	10,365	326,642	743,370

The net book value of other tangible fixed assets includes £192,255 (1999 - £202,191) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £64,086 (1999 - £51,966) for the year.

5 Tangible fixed assets

	Investment properties £
Cost	
At 1 January 2000 & at 31 December 2000	216,243
Depreciation	
At 1 January 2000 & at 31 December 2000	39,291
Net book value	
At 31 December 2000	176,952
At 31 December 1999	176,952

The investment property was revalued at 31 December 2000 by the directors of the company on an existing use value. No depreciation is provided in respect of this property.

On an historical cost basis it would have been included at an original cost of £216,243 (1999 - £216,243), and aggregate depreciation of £52,266 (1999 - £47,941). In the opinion of the directors the book value of this property represents a fair reflection of its market value.

6 Fixed asset investments

	Shares in group undertakings and participating interests
	£
Cost	
At 1 January 2000 & at 31 December 2000	2

Holdings of more than 20%
The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Cable First Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Cable First Limited	(50,650)	116,109

The company's investment in its wholly owned subsidiary represents the cost of acquisition of the whole of the ordinary share capital of Cable First Limited.

7 Debtors

	2000	1999
	£	£
Trade debtors	14,946	10,882
Amounts owed by group undertakings and undertakings in which the company has a participating interest	321,162	404,759
	336,108	415,641

Debtors include an amount of £321,162 (1999 - £404,759) which is due after more than one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2000

8 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	89,384	89,384
Net obligations under hire purchase contracts	74,575	102,153
Taxation and social security	35,501	59,552
Other creditors	222,647	314,521
	422,107	565,610

The bank loans are secured by a fixed and floating charge over the assets of the company.

9 Creditors: amounts falling due after more than one year	2000 £	1999 £
Bank loans	214,190	157,542
Net obligations under hire purchase contracts	46,145	80,108
Other creditors	100,000	100,000
	360,335	337,650
Analysis of loans		
Wholly repayable within five years	516,171	513,772
Included in current liabilities	(201,981)	(256,230)
	314,190	257,542

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2000

10 Share capital

	2000 £	1999 £
Authorised		
800,000 Ordinary shares class A of 10p each	80,000	80,000
100,000 Ordinary shares class B of 10p each	10,000	10,000
100,000 Ordinary shares class C of 10p each	10,000	10,000
	100,000	100,000
Allotted, called up and fully paid		
40,000 Ordinary shares class A of 10p each	4,000	4,000
- Ordinary shares class B of 10p each	-	500
5,000 Ordinary shares class C of 10p each	500	500
	4,500	5,000

Rights to dividends are at the discretion of the directors who hold 'A' class shares only.

'A' class ordinary shares have 1 vote per share while 'B' and 'C' ordinary shares have no voting rights.

The 'A' class shares have priority to any residue upon winding up in proportion to the nominal amount paid up on such shares.

On 14 August 2000 the company purchased the 5000 ordinary 'B' class shares at par value.

11 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2000 as previously stated	70,000	390,967
Prior year adjustment	-	(25,260)
Retained profit for the year	-	41,966
Balance at 31 December 2000	70,000	407,673

12 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000	1999
	£	£
Expiry date:		
In over five years	9,000	9,100

13 Transactions with directors

During the year A Lodge made net withdrawals of £12,735 from his director's loan account leaving a balance at the year end of £NIL (1999 : £12,735).

During the year P Lodge made net withdrawals of £2,227 (1999:£NIL) from his director's loan account, leaving a balance at the year end of £107,800 (1999 : £110,027).

14 Control

The ultimate controlling party is Mr P Lodge, a director of the company, by virtue of the fact that he owns 50.0025% of the 'A' class ordinary shares issued.

15 Related party transactions

During the year the company entered into transactions with Cable First Limited, its wholly owned subsidiary. All transactions were dealt with at arm's length and the values of goods and services supplied were as follows:

	2000 £	1999 £
Management charges	103,151	97,943
Rent of property	97,956	97,956
Rent of plant and machinery	75,928	75,928

At the year end the balance on the intercompany account owed by Cable First Limited was £321,162 (1999: £404,759)

Mrs Y Lodge withdrew £29,945 from her loan account leaving a balance at the year end of £23,804 (1999 : £53,749)

Mrs J Lodge withdrew £24,304 from her loan account leaving a balance at the year end of £8,793 (1999 : £33,097)

The company paid Mrs Y Lodge £9,000 in respect of rent for premises at unit 16 Dawkins Road.

16 Reconciliation of movements in shareholders' funds

	2000 **£**	**1999** **£**
Profit for the financial year	45,912	92,213
Repayment of 'B' class ordinary shares	(500)	-
Opening shareholders' funds	440,707	348,494
Closing shareholders' funds	486,119	440,707

The financial statements for the year ended 31 December 1999 have been restated to correct an error made in that year. This was in respect of a VAT refund which had been incorrectly credited in the profit and loss account. The effect of the restatement was to decrease the profit for the financial year ended 31 December 1999 by £25,260.